



Daily Report

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General

Application Submitted To Join Bern Convention

OW1007162392 Beijing XINHUA in English
1548 GMT 10 Jul 92

[Text] Geneva, July 10 (XINHUA)—China today delivered to the World Intellectual Property Organization here its application to join the Bern Convention for the Protection of Literary and Artistic Works.

The acting Chinese permanent representative to the organization, Ambassador Hou Zhitong, handed in the document at the organization's headquarters, together with a note from Chinese Foreign Minister Qian Qichen to Dr. Arpad Bogsch, director-general of the organization.

Qian said in the note that China's National People's Congress decided on July 1 to join the convention.

Bogsch said it was of global significance that China, with the largest population in the world, join the convention, which was signed in 1886 in Bern and now had over 90 signatory countries.

Bogsch added that the organization would further intensify its cooperation with China and continue to help it in training talents in intellectual property.

China joined the organization in 1980. It has since joined the Paris Convention for the Protection of Industrial Property and the Madrid Agreement concerning the international registration of marks.

'Roundup' Views Yang Shangkun's Africa Visit

OW1107110692 Beijing XINHUA in English
1026 GMT 11 Jul 92

["Roundup: China To Forge Closer Ties With Africa"—XINHUA headline]

[Text] Abidjan, July 11 (XINHUA)—Chinese President Yang Shangkun left here for home today after concluding his state visits to Morocco, Tunisia, and Ivory Coast.

With the visits, Yang becomes the first Chinese head of state who has ever visited these three African countries since China established diplomatic relations with them respectively in 1958, 1964, and 1983.

Yang's African tour is widely regarded as a major event in Sino-African relations which will help China build closer ties with African and Arab countries.

During the tour, the Chinese president held talks with his counterparts in the three countries—Moroccan King Hassan the Second, Tunisian President Zine El Abidine Ben Ali and Ivory Coast President Felix Houphouet-Boigny. Their talks focused on international issues, particularly the situation in Africa.

Also, Yang met with the government and congress leaders of the three countries, exchanging views with them on the development of relationships.

China has long been aware of the fact that the drastic changes taking place in today's world have put the developing countries, namely the Third World, in an unfavorable position, including a widening gap with the developed nations, in both political and economic terms.

African countries in particular are faced with greater economic difficulties and political pressure.

China, as President Yang stressed, has always attached importance to its relations with the African countries, which constitute an important part of the Third World.

Yang's African tour shows that to develop cooperation with African and other Third World countries continues to be one of the basic points of China's foreign policy.

During his visit to Ivory Coast, Yang clarified China's principles in developing relations with Africa.

He noted that China supports the African nations in their efforts to safeguard state sovereignty and national independence, counter external interference and develop the economy.

In addition, China respects the right of African nations to choose their own political systems and roads of development in light of their respective national conditions.

Yang voiced China's support to the African states in strengthening their solidarity and cooperation, seeking strength through collective efforts and resolving disputes between states through peaceful consultations.

On a wider scope, China supports the Organization of African Unity (OAU) in its efforts to seek peace, stability, development and economic integration on the African continent, Yang said.

Regarding Africa's role in international affairs, Yang Shangkun reiterated China's support to the African states in their active involvement as equal members of the international community and in their efforts to establish a just and rational international political and economic order.

Finally, China is ready to develop friendly exchanges and economic cooperation in multiple forms with the African countries on the basis of the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression and non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence.

He described the development of relations with Africa as "well worth doing."

During Yang's visit, Chinese State Councillor and Foreign Minister Qian Qichen discussed with his counterparts of the three countries a wide scope of topics of

common concern including the situation in South Africa, the Middle East and the Maghreb region.

Meanwhile, Chinese Vice-Minister of Foreign Economic Relations and Trade Wang Wendong and senior officials of the three countries held talks and reached agreements on expanding economic cooperation and trade ties between China and these countries.

Since Yang and the heads of state of these countries had outlined a framework for developing economic and trade cooperation, it was the right time to take concrete steps in implementing the cooperative projects, said these African officials.

They also agreed that cooperation between China and these countries had great potential.

During President Yang's stay, the Chinese Government signed agreements on economic and technological cooperation with the three governments, under which China is to provide them interest-free loans to fund the cooperative projects.

Sources from the Chinese Ministry of Foreign Economic Relations and Trade told XINHUA that the total volume of the three agreements together with an exchange of notes on donation or aid with each, is over 100 million RMB [renminbi] (about 19 million U.S. dollars).

Commenting on the agreements, Foreign Minister Qian Qichen noted that the cooperation between China and Africa as well as other developing countries belongs to south-south cooperation.

He reaffirmed at a press conference held in Abidjan Friday that south-south cooperation is "more important and urgent than at any time in the past."

Local press also hailed the cooperative ties between China and the three nations as models of south-south cooperation.

'Complete Success' of Visit Noted

HK1307091692 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 13 Jul 92 p 3

[Editorial: "New Chapter in Sino-African Friendship—Warmly Hailing Complete Success of Chairman Yang's Visit to Three African States"]

[Text] The state visit on invitation conducted by President Yang Shangkun to the three countries of Morocco, Tunisia, and Ivory Coast was a major event in friendly exchanges between China and African countries.

From North to West Africa, President Yang and his party were met with fresh flowers symbolizing friendship, colorful banners expressing a warm welcome, smiling faces full of joy, and throngs of singing and dancing people. All these vividly illustrated the sincere friendship that the peoples of Morocco, Tunisia, and Ivory Coast feel for the people of China.

During the visit, President Yang and the leaders of the three countries held cordial meetings and fruitful talks and reached broad, identical views on bilateral relations, the international situation, and major international issues of common concern. President Yang also accepted interviews by the television stations of these countries and conducted extensive contacts with personalities from all sectors. The members of the delegation also held working conferences with their counterparts and signed new agreements on economic and technical cooperation with the three countries of Morocco, Tunisia, and Ivory Coast, respectively. The visit achieved its goal of promoting understanding, deepening friendship, and developing cooperation with tremendous results.

At present, the world is at a turning point between new and old patterns, with the old factors that contributed to tension not completely eliminated and new factors of instability already emerging. As contradictions between North and South intensify, the developing countries are confronted with a grim situation. The demand for the establishment of a fair and just new international order has become a common call from the people of all countries. The need to strengthen unity and cooperation among the developing countries is more urgent than at any time in the past. Given this situation, President Yang's visit to Africa took on a particularly important significance.

For years, the fair and mutually beneficial economic cooperation between China and the countries of Africa constituted an important part of "South-South cooperation." China is presently speeding reform and opening up as well as accelerating its pace of economic construction, China's trade and economic relations with all countries are undergoing new developments, while the prospects for diverse forms of economic and trade cooperation with the countries of Africa are becoming more extensive.

The people of China and Africa share a similar historical experience and they also shoulder the same mission in history. In the just cause of safeguarding peace and promoting development, the people of China and Africa have always sympathized and supported each other. Despite the tremendous transformations in the international situation and the ongoing changes in the situation in African countries, friendship between China and Africa will not change.

Today, the countries of Africa still play an important role in the profound evolution going on in the world's political and economic situations. To continue developing and strengthening the friendly cooperation between China and the African countries in political and economic aspects, President Yang solemnly declared the following during his visit:

1. China supports the various efforts of the countries of Africa to safeguard state sovereignty and national independence, oppose foreign intervention, and develop their economies.

2. China respects the political systems and development paths chosen by the different countries of Africa based on their respective national conditions.

3. China supports efforts by the countries of Africa to boost unity and cooperation, join forces for greater strength, and settle interstate disputes through peaceful consultations.

4. China supports the efforts of the Organization of African Unity in striving for peace, stability, and development in the African continent as well as in realizing economic integration.

5. China supports the active participation of the African countries in international affairs as equal members of the international community and their efforts in the establishment of a fair and just new international political and economic order.

6. China is willing to promote friendly exchanges as well as diverse forms of economic cooperation with the different countries of Africa on the basis of the principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

These principles are an extension and development of the correct policies governing Sino-African friendship as formulated by Chairman Mao Zedong and Premier Zhou Enlai in their lifetimes, and are fully consistent with the fundamental interests of China and the countries of Africa.

The visit by President Yang to the three African states marks a new chapter in the history of friendly exchanges between China and Africa. It not only serves as a positive impetus in bolstering friendly relations between China and the three countries of Morocco, Tunisia, and Ivory Coast, but will also have a far-reaching impact in consolidating and promoting China's unity and cooperation with Arab and African countries. We sincerely hail the complete success of this visit!

Commentator on Outcome of G-7 Summit

HK1307090592 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 11 Jul 92 p 3

["Fortnightly Commentary on Current Affairs" by Xiao Lin (5135 2651): "G-7's Difficulty in Coordinating Stand Increases"]

[Text] From 6 to 8 July, the leaders of the seven Western countries held their 18th summit meeting in Munich, Germany. The meeting issued a "Chairman State's Statement," a "Political Declaration," an "Economic Declaration," and a "Statement on the former Yugoslavia." Russian President Yeltsin was invited to meet with the seven leaders after their meeting. The meeting was convened against the background of the Soviet Union's dissolution, the escalation of the civil war in Yugoslavia, and the intensification of political and economic contradictions in the West. Therefore, the global economic situation, the issue of aid to Russia, and the Yugoslav

situation became central subjects at the summit. In general, the summit achieved very limited results as it mainly dealt with more general matters and matters of principle than in taking concrete steps. The seven countries did not really solve the major political and economic problems the Western world is facing.

Due to the austere political and economic situation at home, the seven leaders did not reach a compromise on the crucial Uruguay Round of multilateral trade talks and the issue of lowering interest rates. Before the summit meeting, the EC adopted a program on reforming its agricultural policy. At the same time, various parties conducted consultations on the Uruguay Round and changed their positions slightly. The main reason why the summit meeting did not make a breakthrough was the fact that the United States and France were sharply antagonistic toward each other on the issue of reducing agricultural subsidies, and both refused to make concessions. In fact, Bush and Mitterrand did not have much room for maneuver on this issue, and both lacked sufficient "political determination." The United States will hold elections in November, and Bush tried hard to show that he is a powerful president safeguarding the national interest. In France, a referendum will be held in September on the Maastricht Treaty and Mitterrand was afraid that too many concession by France would produce negative effects. The U.S. economy is recovering at a very slow pace. In June, the unemployment rate in the United States reached 7.8 percent. Therefore, it hoped that Germany and Japan would lower their interest rates to stimulate economic growth. However, in order to deal with domestic inflation, Germany and Japan withstood this pressure from the United States. The "Economic Declaration" said that the seven countries would lower interest rates according to their own economic situations. This indicated that each Western country would go its own way on this issue.

On the Yugoslavia issue, they took a basically tough attitude, and did not even rule out the possibility of using force. The summit discussed various possible ways of stopping the war in Bosnia, including maritime action against Serbia and dispatching troops to open a land corridor to Bosnia-Herzegovina. However, great differences exist among the seven countries, and they failed to reach agreement on how to stop the war. At the request of France, the meeting documents included a point on holding a relevant international conference, but the United States had strong reservations on this point. The seven countries also held different opinions on whether to take military action.

Yeltsin's trip to Munich did not achieve many results. He talked with the seven Western leaders in order to get more Western aid and to prolong the terms for debt repayment. However, most of his hopes were dashed. The seven leaders did not wish to force Yeltsin to return home with empty hands, so they expressed explicit support for Russia's reforms and for Yeltsin. Because they are all faced with serious economic problems at home, the seven leaders were unable to give substantial

help to Yeltsin even though they wanted to do so. They only promised to require the IMF to provide Russia with a \$1 billion loan as soon as possible, but did not make any further promises to assist Russia. On the issue of prolonging the term for debt repayment, the seven countries only hoped that the "Paris Club of Creditor Nations" would consider the issue of prolonging Russia's term for repaying debts. The seven countries also required Russia to speed up its reform process, reduce its budget deficit, and withdraw its troops from the three Baltic countries as soon as possible.

Changes in International Economic Relations Viewed

*HK1007144092 Beijing RENMIN RIBAO
in Chinese 28 Jun 92 p 7*

["Trends of International Academic Studies" column by staff reporter Zhang Dezhen (1728 1795 4176): "International Economic Relations in Period of Change in International Pattern—Sidelights on Sixth Annual Meeting of China Society of International Economic Relations"]

[Text] The China Society of International Economic Relations held its sixth annual meeting in Datong City at the beginning of June. Some 70 specialists and scholars from all over the country conducted extensive and fervent discussion on the "current new pattern of international economic relations and the countermeasures of our country" and put forth some views that warrant exploration.

The effect of the change in the international pattern on international economic relations was a question that this meeting discussed in a concentrated way. Some scholars held that the tremendous changes in the Soviet Union and East Europe had fundamentally altered the polarized international political pattern, accelerated the tendency toward the multipolarization of the world's economy, and especially aggravated the imbalance between the three polar extremes—the United States, Europe, and Japan—in the Western economy. The competition among them makes each of the three parties unrelentingly build its peripheral system, a ring outside the polar extreme and a scope outside the ring that can be expanded through radiation. For instance, the European economic zone, with the EC as an axis, is expanding to the whole of Europe; the North American free trade ring, with the United States as an axis, is expanding to Central-South America; and the "four little dragons," with Japan as an axis, and the East Asian economic ring, with ASEAN as the backbone element, are extending to the coasts of the Western Pacific.

How to treat the conflicts among the Western countries was another popular topic for discussion. Their consistent view was that after the disintegration of the Soviet Union, Western countries have lost a common rival, and "West-West conflicts" will mount. The participants in the meeting, however, had different views on how to appraise the conflicts among the Western countries and

their development tendency. The first view was that after the elimination of the confrontation between the United States and the Soviet Union, with the focal point of international competition changing from political and military aspects to economic and scientific and technological aspects, and with the aggravation of the struggle for economic hegemony, the main threats to the United States, Europe, and Japan will come from within the West, and the conflicts among the Western countries will become the main world conflicts. The second view was that in the period of change from the old to the new world pattern, all sorts of contradictions are intricate and the conflicts among the Western countries are now still not the main conflicts but are likely to gradually develop into the world's main conflicts. The third view was that the economic conflicts among the United States, Europe, and Japan will coexist with coordination and cooperation and the general framework of coordination and cooperation among the Western countries, with the United States as the dominant factor, will not change at least in the 1990's.

The situation in the international capital market was another question that the participants in the meeting discussed in depth. They all pointed out: In the 1990's, the situation in the international capital market has changed and the characteristics are: International capital has fallen short and the gap between supply and demand has widened; international capital is flowing into developed countries in a concentrated way. This will bring about a disadvantageous effect on developing countries.

World Bank Provides \$2.55 Billion in 1992 Loans

*OW1107105892 Beijing XINHUA in English
1011 GMT 11 Jul 92*

[Text] Beijing, July 11 (XINHUA)—The World Bank provided China with a total of 2.554 billion U.S. dollars in loans during the 1992 fiscal year, the World Bank resident mission in China said here today.

A banking official said that the bank reported a record in loan lending to China this year. The loans are being used in 19 projects in the fields of power, railways, highways, sanitation, environment and urban development.

Of the total sum, low-interest and long-term soft loans stood at 1.006 billion U.S. dollars, accounting for 41 percent.

The official said that the World Bank approved this week in Washington a new loan lending China a total of 147 million U.S. dollars in the 1993 fiscal year.

The 35-year term loan will be used to assist agricultural development in Sichuan Province, according to the resident mission.

The project's main objectives are to increase and intensify productivity of existing crops by providing a reliable water supply, provide a complementary package of integrated agricultural input, reduce soil and water losses to

prevent long-term siltation problems and maintain soil fertility, and increase income in poor and remote areas where farmers earn less than 50 percent of the national average.

The project will benefit over 4 million people, and create about 600,000 full time equivalent jobs with significant contributions toward poverty alleviation in Sichuan's poorest counties.

Conventional Forces Agreement Signed by 29 Nations

OW1107010892 Beijing XINHUA in English
0009 GMT 11 Jul 92

[Text] Helsinki, July 10 (XINHUA)—Twenty-nine countries including the United States and Russia signed an arms control agreement here today.

The agreement, titled as "Conventional Forces in Europe Agreement", was billed as the last cold war arms control accord.

It regulates the number of troops each signatory can station between the Ural Mountains and the Atlantic.

According to the agreement, signed at the end of the two-day summit meeting of the Conference on Security and Cooperation in Europe (CSCE), Russia should reduce its troops to 1.45 million men by the end of this century. Ukraine will be limited to 450,000 men.

The United States has the right to station 250,000 troops in Europe but is expected to leave much fewer. Britain can have 260,000 troops and France 325,000.

The agreement, drawing almost no attention as the CSCE leaders are focusing on the ethnic conflicts in Europe, follows the original Conventional Forces Treaty which slashed tanks, aircraft and artillery, but did not deal with manpower.

XINHUA Views Western Moves in Yugoslavia

OW1307090492 Beijing XINHUA Domestic Service
in Chinese 1005 GMT 12 Jul 92

["News analysis" by XINHUA reporter He Dalong (0149 1129 7127): "Behind U.S. Warships Cruising the Adriatic"]

[Text] Washington, 11 July (XINHUA)—To "strictly implement" the UN Security Council's resolution on imposing sanctions against Yugoslavia, six warships from nine allied West European countries will sail into the Adriatic Sea next week and join two U.S. warships there to impose a naval blockade on Yugoslavia. The West European alliance is also assessing the plan of sending troops to Yugoslavia to open a land route for shipping relief materials to Sarajevo to "help and protect" the UN action of providing humanitarian aid to the country. The West European alliance and NATO have recently started to organize a task force to intensify their

sanctions against Serbia, making the situation in war-ridden Yugoslavia even more complicated.

After the cold war ended, Western countries began to advocate "democracy," "freedom," and "national self-determination." Just as the American newspapers put it, however, "Pandora's box was opened suddenly," and out of the box came endless territorial fights, ethnic conflicts, and religious disputes in Eastern Europe and the Balkans, specifically the war in Yugoslavia. This fact not only seriously disturbs the West's wish for a transition toward democracy and a free market economy in East European countries, but it also threatens Europe's stability and security. Even the "Political Declaration" of the recently concluded Group of Seven summit admitted that "the re-escalation of nationalism and ethnic conflicts" has brought about "new instability and confrontation." The Western countries cannot but make greater efforts to look for solutions to these problems and set up a mechanism to prevent and control such crises.

Nevertheless, contradictions within the West have arisen while efforts are being made to handle ethnic conflicts such as the crisis in Yugoslavia. They involve issues such as the leadership over European affairs following the cold war and NATO's future role and position. The U.S. prefers combining NATO and the CSCE in the wake of the cold war, thereby making NATO an "armed branch" of the CSCE in order that the organization will play a leading role in maintaining peace and security in Europe and, in turn, allow the U.S. to keep its leadership in Europe. France, however, as well as some other European countries, opposes the U.S. regarding itself as "the only superpower in the post-cold war world," and it opposes the United States interfering in and dominating European affairs. France also maintains that European countries should have more autonomy in terms of defense, economics, and other areas. Therefore, France and other countries hold that the West European alliance must become a "military pillar" of the CSCE in maintaining peace.

The contention between the United States and Europe for leadership over European affairs has placed the United States in a predicament. On one hand, the United States wants to vie for the leadership; on the other, however, it does not want to get involved in the Yugoslav crisis, much less to send troops. This is because the United States views Yugoslavia as different from the Gulf oil-producing countries, which directly impact U.S. interests. Particularly in an election year, the United States does not want to have military casualties because of its involvement in the Yugoslav civil war. U.S. President Bush has said that "they (the Europeans) believe this is an European problem" and that the United States does not play the role of "global police."

For this reason, the United States has proposed that all possible efforts should be made to avoid the use of force and to take diplomatic and economic actions to resolve the Yugoslav crisis; that if force is used, it must be

authorized by the UN Security Council, and that countries and regional organizations must not take action on their own; that the United States will support multilateral military action by the United Nations, but its support will be limited to providing naval and air protection and will exclude the participation of ground troops; and that the purpose of the action is limited to "supporting" the United Nations' humanitarian endeavor, not to "initiating peace" in Yugoslavia.

Another purpose of these U.S. proposals States is to embarrass Europe. In Washington's view, the European nations do not want NATO to meddle in the Yugoslav crisis, but they themselves do not have sufficient forces and, until now, have only been able to "argue without taking action." In a bid to frustrate the United States, French President Mitterrand went into Sarajevo alone to break the siege and open a passage for delivering aid. His action was intended to show the world that the Europeans could accomplish something without the help of the United States. France has again enthusiastically proposed a Western European alliance to send military vessels and troops to Yugoslavia.

People are waiting to see to what extent these actions taken by the United States and Europe can bring peace and hope to Yugoslavia.

Commentary on U.S.-Russian Partnership

HK1307052592 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 26, 29 Jun 92 pp 25-26

["International Commentary" by Ying Qian (2019 6197), Huang Yong (7806 3144): "Yeltsin's Visit to U.S. and U.S.-Russian Partnership"]

[Text] From 16 to 18 June, Russian President Yeltsin visited the United States, held a U.S.-Russian summit with President Bush, the second time this year, and signed a series of bilateral agreements and declarations embracing the further reduction of strategic weapons, and concretely demonstrated the content and characteristics of the U.S.-Russian partnership.

In early February, after meeting at Camp David, Bush and Yeltsin published a joint declaration, saying that the United States and Russia no longer "look on each other as potential opponents" but as "partners with the same values." Less than six months later, they met again because of the political needs in their own countries, as well as intentionally promoting this "partnership." As far as Bush is concerned, the breakthrough obtained at the meeting on the question of the strategic weapons reduction is undoubtedly conducive to his reelection. As for Yeltsin, the major objective of his trip was to seek more aid and investment from the United States so as to resolve the immediate problems at home. Therefore, the topics at the Washington summit this time were the reduction of strategic weapons and the U.S. offer of aid to Russia.

In the wake of the disintegration of the Soviet Union, the U.S.-Soviet confrontation no longer exists. It seems there is no longer any need for the continued existence of the startling numbers of nuclear weapons possessed by the United States and Russia. They have become their heavy burdens. Moreover, the turbulence and the danger that nuclear weapons are getting out of control in where once was the Soviet Union perturbs the United States. Against this background, early this year, the United States and Russia separately proposed further reducing strategic nuclear weapons on the basis of the "Treaty on the Reduction of Strategic Weapons," which was signed between the United States and the former Soviet Union and which has not taken effect. While seeking to reduce the scale of nuclear stockpiles, the United States is attempting to gain nuclear superiority, whereas Russia, not content with being the "second-class" military power, still wants to maintain the "nuclear balance." In view of this, their proposals had a great deal of discrepancies. No great breakthrough was made despite the many talks between their foreign ministers in the five months that followed until Bush and Yeltsin made a deal at the Washington summit this time.

According to the new agreement, by 2003 at the latest, the United States and Russia will have reduced the warheads of their respective strategic nuclear weapons from some 10,000 at the present time to 3,500; and dismantled all land-based multi-warhead intercontinental guided missiles in 11 years. Moreover, each side will have limited the number of the warheads of their sea-based guided missiles to below 1,750. Bush said the fact that the agreement was reached was an "important token of a new relationship" between the United States and Russia. Yeltsin held that the agreement reflects a "fundamental change" in U.S.-Russian political and economic relations. The U.S. media pointed out: The agreement implies that Russia tacitly admits the U.S. superiority with respect to strategic weapons. Because if the agreement is implemented, Russia will completely lose its superiority in land-based multi-warhead guided missiles. In fact, no more than 3,000 strategic weapon warheads will be left over. Therefore, Russia will be no match with the United States with respect to nuclear weapons whether in quality and quantity of nuclear weapons. The rudimentary reason Russia has given up the "balance principle" is that it is currently faced with serious economic difficulties and that it badly needs aid from the United States and other Western countries. That is why it has succumbed to the U.S. pressure by making great concessions on strategic weapons. THE NEW YORK TIMES pointed out: Russia's practice is to "eliminate nuclear warheads in exchange for the dollars." Moreover, the fact that Russia made great concessions from the beginning of the summit to bring about a new agreement on nuclear weapons reduction was meant to enhance the atmosphere of Yeltsin's visit and then to spur the United States to take the soonest-possible action on the question of aid offer. In addition, destruction of

nuclear weapons as such will entail a great deal of funds and will not be a light burden to Russia whose economy is already seriously bad.

Yeltsin has indeed obtained some reward from the U.S.-Russian agreement on the further reduction of strategic nuclear weapons. The dozens of agreements signed between the United States and Russia, including those by which the United States will grant Russia most-favored-nation status, U.S. federal organizations will offer insurance for private investments in Russia, relax high-tech trade with Russia, and so forth. They are measures aimed at integrating Russia with the global economy. THE NEW YORK TIMES maintains that although the agreements will not take effect after at least one year, they are "psychological support" for Russia. Bush also indicated to Yeltsin: The "democratic destiny" of Russia and other states of the former Soviet Union is "the most important issue in our current diplomatic policy."

However, that Congress has long delayed passing the aid proposal by the Bush administration has somewhat disappointed Yeltsin. Once the proposal is approved, the Bush administration will be empowered to join other Western industrial countries in offering \$24 billion in financial aid to Russia. If it is not approved, it will affect the U.S. aid plan as well as those of all other Western countries. Since the U.S. economic recovery is slow in coming, inflation remains at a high level, government's financial deficit is viciously inflating, and the Los Angeles incident has exposed the social problems generally existing in the United States, there is a very high call against offering foreign aid and for resolving the U.S. own problems first. Out of political needs in the election year, some U.S. congressmen are creating difficulties to the passing of Russia's aid proposal in Congress. During Yeltsin's visit to the United States, Bush repeatedly urged Congress to pass the aid proposal as soon as possible, taking into consideration the relations between Russia's reform and the U.S. strategic interest. In addressing the U.S. Congress, Yeltsin guaranteed with a solemn pledge to "transform" Russia into a country with Western "democracy and freedom," practicing the market economic system. The address impressed U.S. congressmen and won their applause 21 times. Some congressmen estimate that Yeltsin has already obtained enough votes for the aid proposal to be passed. However, U.S. Government officials told Russia privately that it still needs to wait patiently as the high tide of the U.S. general election is coming soon and as party struggles will be getting more acute, and that this will definitely have an influence on the passing of the aid proposal.

During Yeltsin's visit, the U.S. side held two special meetings of entrepreneurs to enlarge contacts between U.S. and Russian entrepreneurs and encourage U.S. entrepreneurs to invest in and set up factories in Russia. Yeltsin and Bush attended in person the opening ceremony for the meetings of entrepreneurs. Yeltsin urged U.S. businessmen not to miss the good opportunity and "be early rather than late." His speech, indeed, touched

participants at the meetings. But THE WASHINGTON POST maintains that the general view of U.S. investors is "what matters is not fine-sounding words but the investment environment."

Of the many documents signed at the end of the meeting of the U.S. and Russian presidents, one is called the "Charter on U.S.-Russian Partnership and Friendly Relations," or "Washington Charter." The Charter states that the two sides will "cooperate" in political, diplomatic, military, and other areas, and that there is the potential for the establishment of "strategic relations" as well. President Bush said that the results of the summit show that the United States and Russia "have formed a new...partnership." The U.S. media maintain that following the resolution of the question of strategic weapons, the possibility for U.S.-Russian cooperation in other areas will be greater and greater in the future. However, the prospects for the development of the U.S.-Russian "partnership" depends on the progress of Russia's reform and on the scale of aid offered for the reform by the United States and other Western countries.

'Roundup' Questions Legality of Noriega Trial

OW1207124692 Beijing XINHUA Domestic Service
in Chinese 1021 GMT 11 July 92

["Roundup" by XINHUA reporter Liu Ruichang (0491 3843 1603): "Noriega Case and Power Politics"]

[Text] Beijing, 11 July (XINHUA)—On 10 July the U.S. Federal Court in Miami handed down a final verdict against 56-year-old Noriega, former head of the Panamanian Government and commander of the Panamanian National Defense Forces, sentencing him to 40 years in prison. On account of this sentence, Noriega will spend the rest of his life in a U.S. prison. That a U.S. district court could have tried the former leader of a sovereign state is a monstrous absurdity.

Noriega became a powerful figure in Panama after he assumed the reins of the National Defense Forces in 1983. Panamanian-U.S. relations had always been harmonious, but subsequent disagreement between the two sides on the deployment of troops in the Panama Canal Zone caused a rupture in those relations. In 1987 the United States began to exploit Panama's domestic political conflicts in an attempt to overthrow Noriega. In February of 1988 a Miami grand jury indicted Noriega for the first time on charges of engaging in and supporting the shipment of cocaine to the United States. However, Noriega could not be brought to trial because he was still in power. To the consternation of the world, the United States invaded Panama on 20 December 1989 in an attempt to capture Noriega and bring him to trial. On 4 January 1990 U.S. troops took him to Miami where he awaited trial. Last September the U.S. Department of Justice filed a formal suit against Noriega on 10 counts of drug trafficking. The United States spent some \$200 million (including the \$164-million cost of

invading Panama) to bring Noriega to trial. Acting on over 1,000 leads, it summoned more than 60 witnesses to testify in court. These witnesses included drug traffickers who had committed heinous crimes; several key drug traffickers became crucial witnesses against Noriega in exchange for reduced sentences and other benefits.

Some fair-minded jurists noted that Noriega should have been tried and sentenced on drug trafficking charges by the people of Panama. Waging war against Panama, and capturing and sentencing Noriega on charges of selling drugs to the United States, were unreasonable actions which contravened the international legal principle of not interfering in each other's internal affairs, illustrating anew the power politics and overbearing behavior on the part of the United States.

Many experts on Latin American affairs noted the important strategic significance of U.S. actions against Noriega. The United States has used the Panama Canal as a source of income and a military base since it obtained both canal-digging rights and a permanent lease under an unfair treaty it signed with Panama in 1903. Each year the United States has derived \$100 million from canal shipping dues. Since its move into the Canal Zone in 1963, the U.S. Southern Command has established seven military bases on which over 10,000 troops are deployed.

The people of Panama waged a protracted struggle to resume sovereignty over the canal, and so the United States was eventually compelled to sign a new Panama Canal Treaty in 1977 which stipulates that the United States will return sovereignty of the canal over to Panama and withdraw its troops on 31 December 1999. Subsequently the United States wanted to revise the treaty, and conveyed its intention to Noriega. The United States expressed the hope that Panama would agree to let it retain its bases in the Canal Zone until 2050; however Noriega rejected the request. Since then the United States has reported extensively on Noriega's role in drug trafficking and bribery.

Though the Noriega case has come to an end after four stormy years, the legality of trying him in the United States remains highly debatable.

United States & Canada

Sino-U.S. Intellectual Property Forum Viewed

HK1007125492 Beijing FAZHI RIBAO in Chinese
25 Jun 92 p 3

["Academic Trends" column by staff reporter Yao Jianchun (6008 1696 2504): "Conduct More Exchanges, Promote Understanding—Roundup of Symposium on Sino-U.S. Intellectual Property Rights Management"]

[Text] The Symposium on the Management of Sino-U.S. Intellectual Property Rights was jointly held in Beijing by the State Science and Technology Commission and

the American Telephone and Telegraph Corporation from 19 to 22 May. The symposium was prepared in 1991 and its objective was to offer an opportunity for Chinese and American intellectual property rights experts to come together to start an in-depth discussion of questions related to intellectual property rights. Over 80 Chinese and American experts and scholars attended the meeting. They discussed substantial and procedural questions regarding trademarks, patents, copyrights, arbitration, litigation, and so forth. At the meeting, they also exchanged views on the legal protection for such products as computer software, new and high technologies, pharmaceuticals, chemical products, and the like. During the discussion, Chinese and American scholars enhanced their mutual understanding and deepened their friendship. The meeting proceeded in a friendly, warm, and sincere atmosphere from beginning to end. Song Jian, member of the State Council and State Science and Technology Commission minister, attended the meeting, and so did (Blison) [bai li sheng 4102 0448 3932], vice president in charge of intellectual property rights of the American Telephone and Telegraph Corporation. The following is a summary of the topics discussed and views advanced at the meeting:

The first question for discussion was the understanding and interpretation of intellectual property rights. Participants in the meeting maintained that intellectual property rights refer to property rights created by intellectual labor, that they include many aspects, and that protection of intellectual property rights is also realized through a variety of forms, for example, the protection of inventions is realized through patents, and protection of computer software and literary works is obtained through rights of authors (copyright), trademarks protect logos and products, and protection of technology falls within the scope of trade secrets.

Why is it necessary to manage intellectual property rights? American experts at the meeting maintained that improper management would make one unable to stand in business, but that proper management could enable one to get the upper hand in business. They also pointed out: The indiscriminate use and imitation occurring in countries where intellectual property rights are insufficiently protected basically announce that they will remain in a second-rate economic state forever. On the other hand, by offering effective protection to intellectual property rights and an environment that supports investment, developing countries will help themselves to upgrade economically.

Scholars at the meeting maintained: Establishing a legal protection system for intellectual property rights in a vast country like China has far more significance than the original objective of meeting the needs of the development of commodity economy, and demonstrates its important significance at the deeper level of protecting human rights.

Participants in the meeting pointed out: China's intellectual property rights protection system is geared to the

needs of the world and is getting closer to the international protection level. In the 12 years since 1980, China has become one of the countries whose world intellectual property rights protection systems are sound. It has established a legal framework for intellectual property rights protection which suits China's national conditions, which conforms to the development trends of international intellectual rights protection, and which possesses Chinese characteristics.

As for China's intellectual property rights protection system, from the preparation for its legislation to its drafting, promulgation, and practice, China referred to international practice and relevant international conventions, thus fully embodying the principles and minimum standards of international intellectual property rights. Therefore, China's legal system for intellectual property rights reflects international characteristics. Moreover, China's intellectual property rights protection system also reflects its own characteristics. This is reflected by the following: First, it is geared to the needs of the world and the vigorous introduction of advanced technology, thus serving China's socialist economic development. For example, the Patent Law, which is very important in China's intellectual property rights legal system, is aimed at introducing technology and promoting its use. It is different from those of other countries. Second, it protects the interests of intellectual property rights owners through administrative channels. Since China is vast in territory and has a large population, and since its economic development is uneven, it has become necessary to use administrative channels to manage intellectual property rights and resolve disputes over their infringement through administrative channels. Third, it is continually improving the protection scope of intellectual property rights. Fourth, it protects the interests of intellectual property right owners with administrative measures.

Scholars at the meeting also pointed out that one of the intrinsic attributes of intellectual property rights is their regional nature. In judging whether a country's intellectual property rights law conforms to international standards and whether it is up to date, we should base our judgment on the international conventions signed by all countries.

Author's rights (copyright) are an important component of intellectual property rights. The American scholars maintained that copyright only protects creative expression, not pure facts or ideas. An author who expresses a fact or an idea with one means cannot stop another author from expressing the same fact or idea with another means. In this way, it is possible for users to obtain two kinds of works.

After giving a briefing on the Bern Convention and relevant questions, the American scholars also gave a briefing on part of the contents of the GATT-TRIPS [preceding term published in Roman alphabet] agreement, which is being negotiated. The agreement attempts to establish an international system for implementation. If a country does not check its copyright

pirates or does not stop pirated reproductions from flowing out of its national boundaries into the rest of the world, causing a dispute with another country as a result, the GATT will investigate that dispute. If that country continues to violate relevant provisions and refuses to resolve the dispute, trade sanctions should be imposed on it by the country it has harmed.

Relevant persons at the meeting also gave briefings on China's Copyright Law and relevant situations. China's Copyright Law reflects these objectives of legislation: Protect the proper rights and interests of mental laborers, namely creators and disseminators of works; bring into play their initiative in creating and disseminating works; coordinate the interest relationships between creator, disseminator, and the broad masses; encourage the broad masses to actively participate in social and cultural activities; and improve the scientific and cultural quality of the entire nation. As for the administrative management of copyright, China has set up copyright administrative management organizations at the State Council and local levels. The American experts also learned the major duties of China's copyright administrative management organizations.

The American and Chinese scholars also held discussions on the question of trademarks and patents. The American scholars pointed out: The trademark is a shortcut to sales promotion that guides a purchaser to choose the commodity he needs or that makes him believe he needs it. The trademark has three functions: 1) The distinguishing function. 2) The guaranteeing function: The trademark does not necessarily guarantee good quality. What it does guarantee is the consistency and continuity of quality of a commodity. 3) The advertising function: In the area of patents, the Chinese and American scholars exchanged views on the question of mandatory permission and related questions.

One important topic at the Symposium on the Management of Sino-U.S. Intellectual Property Rights this time was the question of how to improve the protection of the new areas in intellectual property rights represented by computer software, pharmaceutical and chemical products, and high- and new-technology products.

A piece of computer software is not merely the expression of an idea for the resolution of a particular problem. Moreover, the expression itself is also the actual process in which problems are directly resolved. Combined with computer software, it becomes a practical tool for people. The nature of software as a practical tool brings new problems to the Copyright Law, which is especially used to protect traditional works. Experts at the meeting pointed out: The Copyright Law protects the form of expression of a particular idea, not the idea itself. If there are countless forms of expression of a particular idea, the Copyright Law confers the monopoly of the form of expression on the creator of every original expression. Including software in the protection scope of the Copyright Law is to confer on software authors a limited

monopoly so as to encourage the creation of new software. On the other hand, the Patent Law offers the foundation for the protection of creative ideas expressed in technical language, namely protecting the ideas themselves. The methods and algorithms in computer programming are generally not protected by the Copyright Law, but are usually protected by the Patent Law. The Copyright Law generally protects the source codes [3293 4316] and the object codes [4158 2871 4316].

The scholars maintained: China's software protection regulations have taken into account the development level of its software industry. While resolutely banning the reproduction and copying of the software fruits of others, and protecting the reasonable rights and interests of software developers, we should reach an appropriate depth of protection as well, and enable it to conform to international standards and a predictable level as much as possible. It is inappropriate for relevant quarters to exert excessive or ambiguous limitations on the proper development of software and on its circulation.

Developing and applying new technologies is important to improving the economies of all countries. Technology plays a vital role in changing the economic environments of undeveloped countries. Technology is invisible property. It includes trade secrets, trademarks, copyright, patents, and software. Technology transfers are in fact the transfer of intellectual property rights. Based on the above-mentioned reasons, the American scholars maintained that government interference is very necessary, because technology development entails huge financial investment, and this kind of investment in many countries is government-controlled. Moreover, scholars maintained that it is necessary to strengthen administrative management while improving legal regulations. Furthermore, the Chinese scholars put forward many good ideas for the resolution of technology disputes.

At the meeting, the American scholars disclosed that the American pharmaceutical industry attaches great importance to the protection of intellectual property rights in the global context, because the pharmaceutical and chemical industry depends mostly on patent protection to enable its new products to enter the market. The pharmaceutical and chemical industrial circles stressed that there should not be discrimination against science in terms of legal protection. Moreover, they also called for limiting the use of mandatory permission.

The Chinese experts gave a briefing on how China will use administrative measures to protect the pharmaceutical and chemical industry.

New York Chinese Demand Equal Opportunity
OW1307041692 Beijing XINHUA Domestic Service
in Chinese 0503 GMT 11 Jul 92

[Text] New York, 10 July (XINHUA)—According to North America's QIAO BAO [OVERSEAS CHINESE NEWS], braving a burning sun, more than 3,000 Chinese

residents in New York City demonstrated on 9 July to demand equal job opportunities and oppose racial discrimination.

The demonstrators started from Chinatown and proceeded to Foley Square near city hall, where they held a rally. The demonstrators came from various groups and circles in the Chinese community here.

This demonstration was triggered by a federal building project near Chinatown. When preparations were being made for building this \$600 million project, the contractor promised to let people in the Chinese community subcontract some of the projects and to provide job opportunities for Chinese; however, when construction was begun, Chinese people subcontracted only 0.3 percent of the project and only one Chinese was employed by the contractor.

The chairman of the New York City Council and the head of Manhattan Ward yesterday issued statements in support of the Chinese residents' legitimate demands, saying the matter would be taken up with the contractor and the contractor company would be asked to listen to the voice of the Chinese community.

Central Eurasia

Economic Exchange Accords Signed With Russia
HK1307054292 Hong Kong TA KUNG PAO
in Chinese 13 Jul 92 p 2

["Special Dispatch" by staff reporter Shao Kan (6730 1626): "China and Russia Sign Six Letters of Intent on Cooperation, and Construction of Hunchun Port Is To Be Speeded Up"]

[Text] Changchun, 12 Jul (TA KUNG PAO)—It is learned from the Jilin Provincial Government that representatives of Jilin Province of China and Primorskij Kraj of Russia recently held a meeting in Hunchun City. Through intensive consultations, the two sides reached an agreement on speeding up the construction of ports, highways, and railways between the two sides. Thus, Hunchun made a major breakthrough in its opening to Russia.

The spokesman for the provincial government told this reporter that at the invitation of Li Xilin, vice governor of Jilin Province, a 26-member delegation of Russia's Primorskij Kraj led by B. H. Butuofu [1580 2094 1133], representative of the Russian president in Primorskij Kraj, B.A. Baluchinke [1572 7627 2953 4430], commander of the Pacific Border Defense Military District, and F.T. Gerjeyeci [2706 1422 2212 5102 5412] paid an inspection visit to Hunchun City of Jilin Province. The two sides held fruitful talks on questions concerning port construction in Hunchun and Kraskino, and signed six protocols on speeding up the construction of port facilities, highways, and railways.

During the talks, the two sides agreed that speeding up the port construction in Hunchun and Kraskino will play a very important role in guaranteeing the normal transportation of cargo and passengers and promoting the economic development and friendly exchanges between the two border provinces. Both sides indicated their willingness to actively increase their cooperation and to strive to jointly construct the ports within the shortest time possible, thus guaranteeing the smooth transport of passengers and cargo and the completion of the long-term facilities. In the talks, the Russian side indicated that through cooperating with the Chinese side, they will build Kraskino into the largest land port in the Far East region with a daily handling capacity of 2,000 containers. The two sides also discussed the issue of joining the railways in Kraskino, and agreed to make the greatest efforts to build a bilateral railway line with a strong radiating and cargo handling capacity. A joint venture will be set up to jointly design, build, and manage the Hunchun-Kraskino railway. Through discussion, the two sides decided to build the railway port two kilometers south of the highway port with each allocating 10 square kilometers of land for the project. The joint expert group of the two sides will discuss the details of the project in mid-August in Ussurisk. The two sides agreed to complete the construction of the Hunchun-Kraskino highway in the third quarter of this year, and also agreed that the Chinese side would take part in the construction of the customs building and the quarters for the customs personnel in Kraskino. They also agree to further discuss such questions as establishing a telecommunications link between Changchun and Vladivostok, opening air service between Jilin Province and Primorskij Kraj, and setting up representative offices in each other's cities.

In addition, in the talks the two sides also reached agreement on such concrete issues as the holding regular meetings between senior leaders of the two border provinces, simplifying border-crossing procedures for people involved in joint fair trade, and improving the customs service quality.

Heilongjiang Heihe Opens Air Route With Russia
SK1007133992 Harbin Heilongjiang People's Radio Network in Mandarin 0000 GMT 9 Jul 92

[Text] The State Council recently formally approved the establishment of a temporary international air route between Heihe and the city of Blagoveshchensk in Russia to deal with the congested travel of economic and trade personnel between the two cities, which is caused by icebergs along the Heilong Jiang. The document issued by the border ports office under the State Council reveals that the PRC agrees to use I24 Yun-5 passenger planes and IL-8 helicopters to make flights between the two cities during the iceberg season of the Heilong Jiang. The international air route is 30 km long and is the shortest of the country's air routes linked with foreign countries.

Health Cooperation Agreement Signed With Byelarus
OW1107011092 Beijing XINHUA in English 0054 GMT 11 Jul 92

[Text] Minsk, July 10 (XINHUA)—China and Byelarus signed an agreement on health cooperation here today.

The agreement was signed by Byelarus Health Minister Vasily Kazakov and Chinese Ambassador in Minsk Wang Xingda.

According to the agreement, the Chinese Government will provide Chinese traditional medicine and medical equipment to Byelarus and it will also send Chinese medical teams to work there in six months.

Kazakov thanked Chinese leaders and people for their help. The two sides believed the two countries would further promote health cooperation in the future.

Northeast Asia

Jiang Zemin Meets Former Japanese Minister
OW1207174192 Beijing XINHUA in English 1603 GMT 12 Jul 92

[Text] Beijing, July 12 (XINHUA)—Chinese party chief Jiang Zemin today met with former Japanese foreign minister Saburo Okita and his party and exchanged views in a cordial atmosphere.

The party chief expressed his thanks to the Japanese for coming to participate in the 12th Sino-Japanese economic conference and his appreciation of economic exchanges.

He said that this year is the 20th anniversary of normalization of diplomatic relations between the two countries. He expressed his belief that the coming conference will further promote friendly relations between China and Japan.

Shanghai Mayor Meets Japanese Trade Delegation
OW1307002592 Shanghai People's Radio Network in Mandarin 2300 GMT 10 Jul 92

[From the "Morning News" program]

[Text] Mayor Huang Ju met with a delegation of Japanese economic and trade groups which had made prominent contributions to promoting Sino-Japanese trade yesterday [10 July]. At the invitation of Minister Li Lanqing of Foreign Economic Relations and Trade, the Japanese delegation arrived in Shanghai yesterday to receive the minister's award at a ceremony to be held in Beijing.

The mayor briefed the Japanese visitors about Shanghai's economic growth in the first six months of this year. He said: During my last visit to Japan, many Japanese friends were interested in participating in the development of Pudong. Members of the delegation currently

visiting China represent Japanese enterprises outstanding in Sino-Japanese trade. It is hoped that Japanese entrepreneurs will familiarize themselves with Shanghai to further expand cooperation with Shanghai.

Showing a keen interest in the briefing, the Japanese visitors were impressed especially with the 14 percent growth rate in Shanghai's gross production value in the first six months, as well as the rapid increase of Japanese investments in Shanghai since Mayor Huang Ju's last visit to Japan. They expressed the belief that Sino-Japanese economic and trade relations will develop further.

People's Bank Governor Meets Japanese Guests

OW1307041492 Beijing XINHUA in English
0326 GMT 13 Jul 92

[Text] Beijing, July 13 (XINHUA)—Li Guixian, Chinese state councillor and governor of the People's Bank of China, met here today with Akira Fujita, president of the Daiwa Bank, Ltd. of Japan, and his party.

The visitors arrived here Sunday as guests of the Bank of China. They will also visit Shanghai and Guangzhou.

Japan's Matsushita Sets Up Joint Venture

OW1307011192 Beijing XINHUA Domestic Service
in Chinese 0744 GMT 11 Jul 92

[By reporter Yang Like (2799 3810 4430)]

[Text] Beijing, 11 July (XINHUA)—The Beijing Matsushita Communication Equipment Company, Ltd., was formally established in Beijing on 10 July.

This new company is a joint venture set up by the China Postal and Telecommunications Industry Corporation, the Beijing Branch of the China Postal and Telecommunications Equipment Corporation, the Beijing Telecommunications Parts Factory under the Ministry of Posts and Telecommunications, the Japan Matsushita Electrical Equipment Company, and the Matsushita Telecommunications Industry Company. It will engage mainly in developing, designing, producing, and marketing a series of radio pagers and other mobile communication products. It will provide after-sale and technical consulting services for its products.

In the beginning, the company will produce the EK-2097 digital beeper, which is now a new model on the market. After the company is established, it will annually produce 120,000 sets of pagers by a single shift of workers and 240,000 sets by a double shift of workers. Then it will become the largest producer of pagers approved by the Ministry of Posts and Telecommunications.

South Korean Bank Opens Beijing Office

HK1307034592 Beijing CHINA DAILY in English
13 Jul 92 p 2

[By staff reporter Ren Kan: "S. Korean Bank Opens First Office"]

[Text] Korea Exchange Bank, a leading South Korean commercial bank, is planning to expand its business in China, adding some "lubrication oil" to economic and trade cooperation between the two sides.

In its latest move, the bank opened a Beijing representative office last week, the first South Korean financial institution to set up an office in China.

The Korea Exchange Bank will provide financial advice and consulting services to its customers doing business with China while engaging in market research and liaison activities.

The bank will also financially support South Korean traders and investors by supplying export and import credits and commercial loans.

Meanwhile, the bank will cooperate with the Bank of China, which is expected to open a representative office in Seoul later this month, in gathering overseas capital for Chinese construction projects, said Jaehyong Hong, the bank's chairman and president.

The Beijing office, which is expected to be upgraded to a branch in the future, will play an active role in promoting bilateral trade and economic cooperation between the two sides, Hong said.

China and South Korea have witnessed a rapid increase in their bilateral trade and economic cooperation in the past few years.

Sino-South Korean trade hit \$5.8 billion last year, and is expected to reach \$10 billion this year.

South Korean investment in China reached \$166 million by the end of last year. The majority of these investments have involved small or medium-sized enterprises producing processed foods, textiles, tools, and electronics.

Hong said he expected the cooperation to expand, which would mean a larger demand for financial support and the Beijing office would help meet the demand.

He said the establishment of the Beijing office will also stimulate other South Korean banks to expand their business in China.

According to a quarterly review issued by the Korea Exchange Bank, the Korea Development Bank and Korea Export-Import Bank have also applied to establish representative offices in Beijing. In January this year, the Korea Commercial Bank proposed to establish a representative office in Shanghai.

Korea Exchange Bank, with total assets of \$32.8 billion, established correspondent banking ties with the Bank of China, the country's major foreign exchange bank, in 1988.

In 1990, it participated in a syndicated loan to China that had the China International Trust and Investment Corporation as the lead manager.

DPRK Friendship Treaty Anniversary Marked

*OW1107141892 Beijing XINHUA in English
1304 GMT 11 Jul 92*

[Text] Beijing, July 11 (XINHUA)—Pae Yong-chae, charge d'affaires of the Korean Embassy in Beijing, hosted a banquet here this evening to mark the 31st anniversary of the signing of the treaty of friendship, cooperation and mutual assistance between China and Democratic People's Republic of Korea.

Pae Yong-chae and Peng Chong, vice-chairman of China's National People's Congress Standing Committee, spoke at the banquet.

Among the guests were Minister of Railways Li Senmao, Minister of Radio, Film and Television Ai Zhisheng, president of the Chinese People's Association for Friendship with Foreign Countries Han Xu and Vice-Foreign Minister Xu Dunxin.

XINHUA Cites Mongolian Economy 'Communique'

*OW0907150992 Beijing XINHUA in English
1436 GMT 9 Jul 92*

[Text] Ulaanbaatar, July 9 (XINHUA)—The Mongolian economy continues to languish, with nearly all the economic indexes in the first six months of this year lower than those for the same period last year, says a communique by the Central Statistical Bureau.

The total value of industrial production in the first six months of this year reached 5.3 billion tugrik (about 1.56 billion dollars), down 23.7 percent on last year's figure.

Over 190 factories, or 63.6 percent, failed to attain production quotas, and the production of 74 key industrial products out of more than 80 was less than in the same period last year.

The communique says foreign trade for the first six months was valued at more than 300 million dollars, a drop of 8.3 percent on last year's figure. Among the total, 140 million dollars went for export.

Southeast Asia & Pacific

Reportage on Visit by Cambodia's Chea Sim

Meets Li Peng

*OW1207154792 Beijing XINHUA in English
1529 GMT 12 Jul 92*

[Text] Beijing, July 12 (XINHUA)—Premier Li Peng said today that China seeks no sphere of influence and will not pursue its own interests in Cambodia.

Li Peng made the remarks while meeting Chea Sim, one of the leaders of the Phnom Penh side in Cambodia.

A Chinese official attending the meeting quoted Li as saying that China pursued an independent foreign policy of peace and was willing to establish friendly relations with all countries.

China attached special importance to developing friendly and good-neighbor relations with neighboring countries, Li said.

"We hope that Cambodia will become an independent, peaceful, non-aligned and prosperous country," the premier was quoted as saying.

Soon after the Paris Accord was signed and the Supreme National Council (SNC) was established, China declared that it would treat all the parties of Cambodia equally without discrimination, said Li.

"We hope that the SNC with Norodom Sihanouk as its chairman will play a real role in the national reconciliation and forthcoming general elections."

The efforts made by the international community and the United Nations were of importance for the peace and reconstruction of Cambodia, said Li. However, the efforts by the four parties of Cambodia were the most important.

Li said it was not easy to achieve real national reconciliation because of past fighting.

Only when all the parties buried their differences and showed a willingness to unite could national reconciliation be achieved.

The facts in the past 12 years proved that the Cambodian issue could not be solved by war, said Li. He noted that the international situation had now undergone great changes, and it was impossible to solve problems by war.

Problems could only be solved by peaceful ways and through national reconciliation, consultation and understanding, the premier said.

China would maintain contacts with the four parties and with the SNC headed by Sihanouk. China would contribute to the implementation of the Paris Accord, and to the peace and reconstruction of Cambodia.

Chea Sim thanked China for its important contributions to promoting the peace process in Cambodia.

He was quoted as saying that China, one of the five permanent members of the U.N. Security Council, had made great contributions to the political settlement of the Cambodia issue, and to the signing of the Paris agreement.

Chea Sim said that his side would work for more practical results in the implementation of the Paris Accord.

He expressed his appreciation for China's policy of reform and opening to the outside world, and was delighted at China's achievements.

Meets Qian Qichen

OW1207150992 Beijing XINHUA in English
1439 GMT 12 Jul 92

[Text] Beijing, July 12 (XINHUA)—Foreign Minister Qian Qichen said today that China hoped all the parties in Cambodia would contribute to the realization of true national reconciliation.

Qian made his comments when he met with Chea Sim, one of the leaders of the Phnom Penh side, who is now visiting China.

Qian said after the signing of the Paris Accord, China had treated all parties in Cambodia equally without discrimination.

Without national reconciliation there could be no national rejuvenation of Cambodia, he said.

"We sincerely hope that under the leadership of Prince Norodom Sihanouk, all the Cambodian parties concerned will make efforts for the realization of true national reconciliation and for the complete implementation of the Paris Accord on the Cambodian issue," Qian said.

According to Chinese Foreign Ministry officials, Qian said the signing of the Paris Accord was only achieved after much effort from the countries concerned and all sides in Cambodia.

"To completely implement the Paris Accord and to achieve reconstruction and rejuvenation is, at present, the most important work facing all the Cambodian parties concerned," he said.

China supported the second phase of the ceasefire in Cambodia and its implementation was an important step in ensuring the realization of true peace, Qian said.

As for the specific problems and differing views that cropped up in the process of the implementation, they should not become an impediment in the process of implementing the accord, he said.

The foreign minister said China would make its own efforts, together with other countries, to push for the implementation of the accord.

Since the signing of the Paris Accord about nine months ago, the Supreme National Council (SNC) of Cambodia, the UNTAC (U.N. Transitional Authority in Cambodia) and the international community had done a lot of work in pushing for the implementation of the accord and there had been some progress.

"It is quite natural to confront some difficulties and twists in the process of the implementation. However, they have been got over one by one through the efforts of all the parties concerned," he said.

Qian said the recent Tokyo conference on the reconstruction of Cambodia had been a success.

The international community not only expressed its willingness to provide assistance to Cambodia, but put forward some positive proposals for the implementation of the accord.

This demonstrated international desire and confidence in pushing further for implementation of the Paris Accord, he said.

During the meeting, Chea Sim expressed his appreciation of China's efforts in pushing for the implementation of the Paris Accord and the peace process in Cambodia.

He expressed the belief that the Cambodian peace process would achieve progress through the common efforts of all the Cambodian parties concerned, the UNTAC and the international community.

Departs for Phnom Penh

OW1307025592 Beijing XINHUA in English
0243 GMT 13 Jul 92

[Text] Beijing, July 13 (XINHUA)—Chea Sim, one of the leaders of the Phnom Penh side in Cambodia, ended his China visit and left for home this morning.

Chinese Vice-Minister of Foreign Affairs Xu Dunxin saw him off at the airport.

Qian Qichen To Attend ASEAN Meeting

HK1307095892 Hong Kong AFP in English
0942 GMT 13 Jul 92

[Text] Manila, July 13 (AFP)—China's Foreign Minister Qian Qichen is to arrive here over the weekend to attend the 25th ministerial meeting of the Association of South-east Asian Nations (ASEAN), the Chinese Embassy here said Monday.

Qian will be a guest of the foreign ministers from the ASEAN member countries of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand who will attend the July 21-26 meeting, embassy spokesman Wan Jisong said.

Qian, who will stay in Manila from July 19 to 23, will be "participating in several activities" during the meeting, Wan told AFP.

Embassy officials are arranging a meeting between Qian and Philippine President Fidel Ramos, he added.

Pacific Nations' Relations With Taiwan Viewed

OW1007121692 Beijing XINHUA in English
1147 GMT 10 Jul 92

["South Pacific Nations Advised To Handle Relations With Taiwan With Prudence (by Yang Guojun)"]—XINHUA headline]

[Text] Honiara, Solomon Islands, July 10 (XINHUA)—Chinese Vice-Foreign Minister Liu Huaqiu has advised South Pacific nations to handle their relations with China's Taiwan with prudence.

The vice-foreign minister offered the advice at the post-forum dialogue meeting of the 23rd Annual South Pacific Forum: Conference beginning today.

"More and more people share the consensus that the future of Taiwan lies in the mainland of China," and all statesmen with a vision should see clearly the situation, and proceeding from the long-term interests, stick to a 'one China' policy, and "handle their relations with Taiwan Province of China with prudence," Liu told the first plenary post-forum dialogue meeting this morning.

The remarks by Liu, the representative of the Chinese Government to the dialogue meeting, was made at a time when the just-concluded 23rd Annual South Pacific Forum Conference endorsed a decision to allow China's Taiwan Province to become a dialogue partner with some forum member states which have so-called diplomatic relations with it.

It is a consistent policy of the Chinese Government that China is firmly opposed to any attempt to create 'two Chinas' or 'one China, one Taiwan', and 'one country, two governments,' and seek 'dual recognition' or 'independence of Taiwan,' Liu reiterated. The Chinese Government is also against exchanges of an official nature between Taiwan and countries that have diplomatic relations with China, Liu added.

China would "unswervingly seek an early reunification of Taiwan with the mainland in accordance with the policy of 'peaceful reunification, and one country, two systems.'" This is a strong aspiration of all the Chinese people, including the Taiwan compatriots, and had become a "historical trend that no force can obstruct," Liu stated.

Micronesia Opposes Taiwan Participation in Forum

OW1007173492 Beijing XINHUA in English
1454 GMT 10 Jul 92

[Text] Honiara, Solomon Islands (XINHUA)—Micronesia is opposed to accepting China's Taiwan Province as a dialogue partner of the South Pacific Forum while treasuring the dialogue with China.

This was stated today by Micronesian President Bailey Olter at a meeting with Chinese Vice-Foreign Minister Liu Huaqiu now here attending the post-forum dialogue meeting of the 23rd annual South Pacific Forum meeting.

Dialogues between China and the South Pacific Forum would benefit all the member nations of the forum, Olter said, adding that Taiwan is part of the People's Republic of China and Micronesia is opposed to establishing dialogue relations with Taiwan in the forum.

Micronesia and China have had good relations and a good beginning has been recorded in economic cooperation between the two countries, Olter said.

Olter thanked Chinese President Yang Shangkun's invitation to him to pay a visit to China which he hoped to make within this year.

Kiribati Vice-President Taomati Iuta, Australian Prime Minister Paul Keating and Secretary-General of the South Pacific Forum Ierema Tabai also met with Liu Huaqiu respectively today.

New Zealand Prime Minister Jim Bolger and Western Samoan Prime Minister Tofilau Eti Alesana met with the Chinese vice-foreign minister on Thursday.

General Yang Baibing Meets Lao Counterpart

OW1307040292 Beijing XINHUA in English
0323 GMT 13 Jul 92

[Text] Beijing, July 13 (XINHUA)—General Yang Baibing, secretary-general of the Central Military Commission and director of the General Political Department of the Chinese People's Liberation Army (PLA), held talks with a delegation from the General Political Department of the Lao People's Army headed by Lieutenant General Osakanh Thammatheya, Lao vice-minister of national defence and director of the department, here this morning.

The two sides exchanged views on the relations between the two countries and their armed forces and briefed each other on the political work in their armed forces.

The guests arrived here yesterday as guests of the PLA General Political Department. They are also scheduled to visit Shanghai and Kunming.

Domestic Textile Firm Sets Up Singapore Branch
OW1007123392 Beijing XINHUA in English
 1129 GMT 10 Jul 92

[Text] Singapore, July 10 (XINHUA)—Chinatex (Singapore) Trading Pte Ltd, a subsidiary company of the China National Textiles Import and Export Corporation (Chinatex), was opened here today.

At the opening ceremony, Zhang Guanlin, president of Chinatex, said that the Chinatex (Singapore) Trading Pte Ltd, which is the 33rd Chinatex branch abroad, would explore new trading opportunities and economic cooperations in Singapore and other southeast [as received] countries.

Chinatex is the biggest state-run textiles trading group of China. There are 10 business units and 8 enterprises directly under Chinatex. It also has 33 overseas enterprises and representative offices.

It handles the import and export business of all kinds of textiles and undertakes all textiles-related foreign investment, joint ventures and cooperative production.

Chinatex has had a representative office here since 1988.

Zhang said that the import and export of Chinatex grew up to 23.8 billion U.S. dollars last year. However, export to Singapore (including re-export) was only about 240 million U.S. dollars, just 1 percent of the total import and export of Chinatex.

Near East & South Asia

'Roundup' Views Rabin Coalition in Israel
OW1007130692 Beijing XINHUA in English
 1015 GMT 10 Jul 92

["Roundup: Narrow Coalition Set Up, Talks Continue (by Li Hongqi)"]—XINHUA headline]

[Text] Jerusalem, July 10 (XINHUA)—Prime Minister-designate Yitzhaq Rabin set up a narrow coalition late Thursday night, but talks continue with other potential partners.

Rabin signed agreements separately with the left-wing Meretz and the ultra-orthodox SHAS [Torah Observing Sephardim], forming a coalition of 62 Knesset members with the tacit support of five more deputies of Arab parties from outside.

The agreements were inked after long and intensified negotiations mainly on the coalition guidelines drafted by Rabin's Labor Party and the allocation of cabinet portfolios.

Under the agreements, SHAS was promised to establish a separate administration in the Education Ministry for orthodox education and culture. Its leader Aryeh Der'i remains as interior minister, while two other senior

SHAS officials serve as deputy ministers, one in the Education Ministry and the other in the Construction and Housing Ministry.

Rabin appointed Meretz leader Shulamit Aloni education minister, ignoring protests from other potential coalition partners, namely Tsomet and the United Tora Judaism. In addition, the Left-Wing Party has until Saturday afternoon to choose two of the following portfolios: communications, energy, tourism and absorption.

Meanwhile, Meretz will be entitled to express its views on "recognition of the right to self-determination of the Palestinian people in the areas of the West Bank and Gaza Strip" and the "right to a federative or confederative framework with Jordan or the right to an independent, unarmed Palestinian state."

Meretz will also be free to advocate "the inclusion of the PLO in the future stages of peace negotiations, once the PLO demonstrates by its statements and primarily by its actions that it recognizes Israel and ceases terrorism."

The Left-Wing Party will also be entitled to "submit a bill to alter the law in a manner that would not penalize Israelis who meet with Palestinians out of a pure desire to further the peace process and understanding between the two peoples," if the new government does not do so on its own within a year.

This showed that all the three parties involved in the coalition had displayed the spirit of compromise and flexibility in reaching agreements with the Arab sides in the peace talks.

But Rabin failed to drag in the National Religious Party, Tsomet and the United Tora Judaism. The three have a common ground: no freeze on settlement, no Palestinian state in the occupied territories and no important role for Meretz in the coalition.

The authorities of the National Religious Party and the United Tora Judaism have vetoed the joining of the coalition because of Rabin's "unsatisfactory answers" to their requests. But right-wing Tsomet leader Rafael Eitan was due to meet with Rabin this morning to say yes or no to the offer by the premier-designate.

Eitan was vying for the education portfolio with Aloni, but he was offered other Cabinet posts except the education and defense.

Labor still hopes that continued talks would lead to the inclusion of the religious United Tora Judaism and the right-wing National Religious Party and Tsomet. But in view of the little progress in the negotiations, over optimism could not be expected.

Before presenting his Cabinet to the Knesset or parliament on Monday afternoon, Rabin has to finish the allocation of portfolios among his senior aides. He is scheduled to meet with his party rival Shim'on Peres later today to offer him probably the foreign ministry.

Peres is seeking deputy premiership and foreign, defense and finance portfolios. But the local press guessed that Rabin may like to offer only the foreign minister position provided autonomy talks remain under his own control.

The premier-designate is also likely to keep the defense and the religious affairs portfolios for himself, while appointing one of his close aides to take over the Finance Ministry.

Sub-Saharan Africa

Farther on President's Trip to Ivory Coast

Visits Embassy

OW1107002492 Beijing XINHUA Domestic Service
in Chinese 1334 GMT 10 Jul 92

[By reporter Zhang Rongdian (1728 2837 0368)]

[Text] Abidjan, 10 July (XINHUA)—Chinese President Yang Shangkun, who is currently on a visit here, went to the Chinese Embassy in Abidjan this afternoon to cordially call on and extend his regards to all personnel of the embassy, as well as to representatives of various Chinese organs in the Ivory Coast.

On behalf of the central authorities, Yang Shangkun extended his cordial regards to comrades working on the diplomatic front. He said he had been accorded a warm welcome and lavish hospitality during his current tour of three African nations. He said his visits were successful.

President Yang exhorted everyone to keep working to advance friendly relations between African nations and China. Prior to his departure, President Yang had a group photo taken with all personnel present at the meeting.

Departs Ivory Coast

OW1107141992 Beijing XINHUA in English
1324 GMT 11 Jul 92

[Text] Abidjan, July 11 (XINHUA)—Chinese President Yang Shangkun left here this morning at the end of his five-day state visit to Ivory Coast.

It was the first visit by a Chinese head of state to a sub-Saharan African country.

During the visit, from July 7 to 11, China offered a batch of interest-free loans to Ivory Coast. Other agreements on economic cooperation were also signed.

Yang and his party held talks with their Ivory Coast counterparts and both sides consider the visit to have been successful.

The Chinese president was seen off at the airport by Prime Minister Alassane Ouattara and Henri Konan

Bedie, president of the National Assembly of Ivory Coast, and other high-ranking officials.

Ivory Coast was the last leg of President Yang's three-nation African tour, which began on June 29. He also visited Morocco and Tunisia.

Arrives in Beijing

OW1207034792 Beijing XINHUA in English
0336 GMT 12 Jul 92

[Text] Beijing, July 12 (XINHUA)—Chinese President Yang Shangkun returned to Beijing this morning by special plane after a two-week state visit to Morocco, Tunisia and the Ivory Coast.

Yang was greeted at the Great Hall of the People by General Secretary of the Chinese Communist Party Central Committee Jiang

Zemin, Premier Li Peng, Vice-Chairman of the Standing Committee of the National People's Congress Rong Yiren, Vice-Premier Wu Xueqian, Vice-Chairman of the Central Military Commission Liu Huaqing, Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference Hong Xuezhai, Secretary-General of the State Council Luo Gan, and Vice-Foreign Minister Yang Fuchang.

Yang's entourage including State Councillor and Foreign Minister Qian Qichen, Vice-Minister of Foreign Economic Relations and Trade Wang Wendong returned here aboard the same plane.

Diplomatic envoys of the Morocco, Tunisia, the Ivory Coast and the state of Palestine were also in the great hall to greet Yang.

Qian Qichen Comments on President's African Tour

OW1007223592 Beijing XINHUA in English
2123 GMT 10 Jul 92

[Text] Abidjan, July 10 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen said here today that President Yang Shangkun's visit to three African countries is "successful and fruitful".

Qian made the remarks at a press conference here this afternoon prior to the end of Yang's state visit to Ivory Coast.

Before coming to this country, Yang and his party visited Morocco and Tunisia.

Qian said that Yang's visit, the first by a Chinese head of state to the three countries, is "important".

In particular, he noted, for the first time the Chinese president visited Ivory Coast, the country to the south of Sahara.

He reiterated that to develop unity and cooperation with African and other developing countries is the foothold of China's foreign policy.

He referred to China's principles for developing ties with African nations stated by president Yang in yesterday's interview with Ivory Coast correspondents, saying Yang's statement indicates the importance China attaches to its relations with African countries.

The foreign minister said that African countries are faced with serious economic difficulties and tremendous political pressure, but new opportunities as well.

Qian noted that under the current international situation, to strengthen South-South cooperation is "more important and urgent than ever before".

He added that China and the three African countries agreed on the establishment of a new international political and economic order on the basis of the Five Principles of Peaceful Co-Existence.

President Yang and his party are scheduled to leave here for home tomorrow.

Signs Agreement on Ivorian Loans

*OW1007173292 Beijing XINHUA in English
1446 GMT 10 Jul 92*

[Text] Abidjan, July 10 (XINHUA)—China will provide a batch of interest-free loans for Ivory Coast under an agreement signed here today.

Sources in the Chinese Ministry of Foreign Economic Relations and Trade told XINHUA that the agreement involved a significant amount but did not give exact figures.

Under the agreement, the loans will be used in cooperative projects in the economic, technological and cultural fields.

The agreement was signed by Chinese State Councillor and Foreign Minister Qian Qichen and Daniel Kablan Duncan, ministerial representative for the economy, finance and planning in the prime minister's office of Ivory Coast.

In addition, Qian and the Ivorian foreign minister, Amara Essy, signed an exchange of notes by which China will help Ivory Coast to build a theater.

The two agreements were signed on the occasion of Chinese President Yang Shangkun's state visit to the West African country.

Duncan said after signing the agreements that his country regarded the cooperation between Ivory Coast and China as an example of South-South cooperation, and would try its hardest to make the cooperation succeed.

Qian said the signing of the agreement indicated that the two sides had a strong desire to further develop their cooperative relations.

Comments on South Africa

*OW1007223792 Beijing XINHUA in English
2145 GMT 10 Jul 92*

[Text] Abidjan, July 10 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen today urged the the South African Government to adopt a "sage and pragmatic" attitude while the liberation organizations strengthen unity and coordination.

Qian made the statement at a press conference here this afternoon when he was asked to comment on the situation in South Africa.

Qian said that there have been some positive changes in South Africa in recent years, and the peace talks have born some fruits.

However, he noted, some setbacks occurred recently in the peace process in that country.

He expressed the hope that the South African Government "adopt a sage and pragmatic attitude and heed the opinions of the African National Congress (ANC) of South Africa and other liberation organizations in the country, as well as notice the response of the international community."

Meanwhile, he added, he hoped that various liberation organizations there will strengthen unity and coordination so as to enable the peace talks to continue rather than break off.

Qian told the press conference that he discussed the South African issue during his talks with his Ivorian counterpart Amara Essy.

The Chinese foreign minister is accompanying Chinese President Yang Shangkun on a visit to Morocco, Tunisia and Ivory Coast.

Views Ties With Niger

*OW1007224292 Beijing XINHUA in English
2139 GMT 10 Jul 92*

[Text] Abidjan, July 10 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen today urged the Nigerien Government to take great store by Sino-Nigerien relations so as to facilitate their further development.

Qian made the statement at a press conference here this afternoon when he was asked to comment on a recent report which said Niger was ready to develop diplomatic relations with Taiwan.

Qian said that it is understandable that a number of African countries, which are suffering economic difficulties, to develop non-governmental trade relations with Taiwan. [sentence as received]

However, he reiterated, Taiwan is an inalienable part of the Chinese territory, and is a fact recognized by the United Nations and most countries in the world.

He noted that China has always opposed the establishment of official relations, let alone diplomatic ties, between Taiwan and any country which has diplomatic ties with the People's Republic.

The Chinese foreign minister stressed that the attempt of the Taiwan authorities to make use of the economic difficulties of some African countries to spoil China's relations with them will not prevail.

He expressed the hope that the "governments and friends of relevant countries be on alert of the attempt of the Taiwan authorities."

Also, he hoped the Nigerian people and government "take the interests of the whole into account" and make joint efforts with China, so as to make Sino-Nigerian ties develop further and prevent them from being undermined.

Qian is accompanying President Yang Shangkun on a visit to the three African countries of Morocco, Tunisia and Ivory Coast.

Yang and his party are scheduled to leave here for home tomorrow.

Jiang Zemin Meets Burundi Party Delegation

OW1107134792 Beijing XINHUA in English
1314 GMT 11 Jul 92

[Text] Beijing, July 11 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party (CPC) Central Committee, said here today that China and Burundi have enjoyed a friendly relationship, and the friendly relations of cooperation between the CPC and the Party of Unity and National Progress of Burundi have also grown smoothly.

Jiang made the remarks while meeting a visiting delegation from the Burundi party, headed by its president Nicolas Mayugi.

According to a Chinese official attending the meeting, Jiang briefed the guests at their request on China's political parties.

There are eight non-communist parties in China, said the general secretary. "It is in the light of China's actual condition that China implements the system of multi-party cooperation and political consultation under the leadership of the CPC," he said.

Lei Jieqiong, chairwoman of the Central Committee of the China Association for Promoting Democracy, who attended the meeting, told the guests that most of the eight non-communist parties were founded in the 1940s.

Lei, who is also vice-chairwoman of the Standing Committee of the National People's Congress, said, "We support the CPC's leadership, which is our historical choice following long-term cooperation with the CPC and joint struggle."

The relations between the non-communist parties and the CPC can be summarized as follows: "Long-term coexistence, mutual supervision, treating each other with true sincerity and sharing weals and woes," Lei said.

She said, "This political party system, in light of China's long historical experience, accords with China's actual condition and development, and contributes to democracy and the unity of the people of all nationalities in China."

Concerning the international situation, Jiang Zemin said that the world today is by no means tranquil, and the question of peace and development, which are the aspiration of the people of the developing countries and other nations, is yet to be settled.

He said, in this varied world, no country should force its will or model on others in dealing with state-to-state relations, and the people of a country have the right to choose its social system, ideology and its developing road in accordance with its real conditions.

No country should use any pretext to interfere in other countries' internal affairs, Jiang said.

Mayugi said that the two parties have shared very good relations, and his party is willing to further strengthen and develop its relations with the CPC.

He said they appreciated China's current democratic politics, the policy of reform and opening to the outside world initiated by Deng Xiaoping, and the democratic party system based on the principle of unity, cooperation and participation.

Zhu Liang, member of the CPC Central Committee and head of the committee's International Liaison Department, held talks with the visitors July 7. Song Demin, secretary-general of the National Committee of the Chinese People's Political Consultative Conference, also conferred with Mayugi.

The delegation arrived here July 6 at the CPC's invitation.

West Europe

Tian Jiyun Arrives in Spain on Goodwill Visit

OW1207131692 Beijing XINHUA Domestic Service
in Chinese 0248 GMT 11 July 92

[Text] Barcelona, 10 July (XINHUA)—Vice Premier Tian Jiyun of China's State Council arrived in Barcelona on the afternoon of 10 July on a six-day goodwill visit to Spain.

During the visit Tian Jiyun will meet with Spanish Deputy Prime Minister Serra as well as Kuiwasi [name as received], chairman of the Spanish Federation of Businessmen Association. He will also officiate at China Pavilion Day activities at the World Exposition in Seville.

Vice Premier Tian Jiyun will wrap up his visit to Spain on 16 July.

Portugal Signs Scientific Cooperation Agreement

OW1107042492 Beijing XINHUA Domestic Service in Chinese 0707 GMT 9 Jul 92

[By reporter Chen Jiaying (7115 1367 3841)]

[Text] Lisbon, 8 July (XINHUA)—The scientific cooperation agreement between China's Natural Sciences Foundation and Portugal's National Science and Technology Research Council was signed in Lisbon on 8 July.

Liang Sen, secretary-general of China's National Natural Sciences Foundation, and (Salama Carlos), president of Portugal's National Science and Technology Research Council, signed the agreement on behalf of their respective organizations.

The agreement stipulates that, in order to strengthen and expand cooperation in basic research between the two countries, the two sides will encourage exchanges and cooperation between the scientific and technological communities in both countries in subjects of common interest on the basis of equality and mutual benefit. The agreement also includes articles on sharing the fruits of joint research and protecting the intellectual property rights and research achievements of both countries.

The working group of the National Natural Sciences Foundation, led by Liang Sen, arrived in Lisbon to begin its tour to Portugal on 5 July.

Shanghai Mayor Meets Swiss Economics Minister

OW1107073292 Shanghai People's Radio Network in Mandarin 2300 GMT 9 Jul 92

[From the "Morning News" program]

[Text] Swiss Economics Minister Delamuraz, who has been visiting China on invitation, arrived Shanghai from Beijing yesterday [9 July].

In the evening, Mayor Huang Ju met and feted Delamuraz and his entourage at the New Jinjiang Hotel. After extending a welcome to Delamuraz and Swiss industrialists and businessmen accompanying him, the mayor said: The development of Shanghai's Pudong is in full swing. Foreign capital attracted in the first six months of this year has tripled last year's total foreign investment. He said he hoped the Swiss visitors would familiarize themselves with Shanghai as much as possible and that they have beneficial studies and talks with economic officials in Shanghai.

Former French Minister on Reform, World Order

OW1307031992 Beijing XINHUA Domestic Service in Chinese 0508 GMT 11 Jul 92

[By reporter Liang Guihe (2733 6311 0735)]

[Text] Paris, 10 July (XINHUA)—Former French Defense Minister Chevenement, who just returned from his tour to China, recently emphasized in a written reply to this XINHUA reporter that it is very necessary for France and China to strengthen their political, economic, and cultural cooperation, "not only because China is a potentially large market, but also because the two countries have special responsibilities in world affairs."

This former French minister said that his tour to China had fulfilled his long-cherished wish and had allowed him to personally experience the diligence, wisdom, and hospitality of the Chinese people, and added that "China's vigorous vitality impressed me strongly."

He said it was his deep impression that "China overcame one difficulty after another to conduct extensive and thorough reform. This is the most important factor in understanding the modern world." He said: "I have toured Shanghai and the Hainan Special Economic Zone. I believe that it has been wise to choose the road of opening up to foreign businesses."

Chevenement noted: "China should take advantage of existing skills and technologies in world markets. Obviously, foreign funds cannot satisfy China's enormous construction need; however, China has vast potential. Only by tapping this potential on its own can China march toward progress."

Discussing Sino-French relations, Chevenement said: General De Gaulle set up official ties with China 28 years ago. Both France and China should develop bilateral relations with identical "political wishes." "Being members of the UN Security Council, both France and China should jointly devote themselves to maintaining peace and promoting the development of the South."

In his talks, Chevenement also briefly stated his views on building a new world order. He maintained: "A just and stable international order is incompatible with the existence of merely one superpower. Global balance cannot be achieved by the United States alone." He also stressed: "In Europe, harmony and balance between France and Germany are crucial, as they are between China and Japan." In strengthening such relations, however, "they should not harm their relations with the United States."

Purchasing Mission Ends Visit to Germany

OW1207024392 Beijing XINHUA in English 0137 GMT 12 Jul 92

[Text] Bonn, July 11 (XINHUA)—A Chinese purchasing mission left here for home today with contracts valued at 500 million U.S. dollars.

During its Germany visit, the mission, headed by the Vice Minister of China's State Planning Commission, Gan Ziyu, met Secretary of State of the Federal Ministry of Economics Dieter von Wuerzen, chairman of Germany's East Economy Committee Otto Wolff von Amerongen, Industry Federation President Heinrich Weiss and others.

German business leaders voiced a wish to establish long-term and stable cooperation with China

Germany is China's biggest European trading partner. The Chinese mission came to Germany after Bonn lifted restrictions against China regarding economic cooperation.

Political & Social

Authorities Announce Death of Deng Yingchao

Obituary Praises 'Great Revolutionary'

OW1107131792 Beijing XINHUA Domestic Service
in Chinese 1011 GMT 11 July 92

[Obituary issued by the CPC Central Committee, the Standing Committee of the National People's Congress, the State Council, and the National Committee of the Chinese People's Political Consultative Conference]

[Text] Beijing, 11 July (XINHUA)—The CPC Central Committee, the Standing Committee of the PRC National People's Congress [NPC], the PRC State Council, and the National Committee of the Chinese People's Political Consultative Conference [CPPCC] hereby grievously announce that Comrade Deng Yingchao died of illness at 0655 [2255 GMT] on 11 July 1992 in Beijing at the age of 88. She had been a great proletarian revolutionary, stateswoman, prominent social activist, staunch Marxist, eminent party and government leader, pioneer of the Chinese women's movement, former member of the Political Bureau of the CPC Central Committee, vice chairwoman of the NPC Standing Committee, and chairwoman of the national CPPCC committee.

Comrade Deng Yingchao's life was a glorious, militant existence. She invariably stood at the forefront of struggles during various historic stages of our revolution, making remarkable contributions to the Chinese people's cause of revolution and construction. She threw herself into the revolution during her early years. She took part in the "May 4th Movement" of 1919 by organizing women's and students' federations in Tianjin, by founding a progressive student organization called Awakening Society in conjunction with Comrade Zhou Enlai and others, and by participating in and leading the patriot student movement in Tianjin. She founded a women's rights league in 1923, took part in establishing the Chinese Socialist Youth League in 1924, and had her membership transferred from the Chinese Socialist Youth League to the CPC in early 1925. From then on she fostered a staunch faith in dedicating her whole life to communism. During the great revolutionary period, Comrade Deng Yingchao was director of the Women's Affairs Department of the Tianjin Prefectural CPC Committee, member and director of the Women's Affairs Departments of the Guangdong and Guangxi Regional Party Committees, and secretary of the Women's Work Committee of the CPC Central Committee. She rallied and organized women to wage a heroic struggle against imperialist and feudal rule, thereby fueling the robust growth of the party-led women's liberation movement. During the Agrarian Revolutionary War, Comrade Deng Yingchao first engaged in secret activities in the party Central Committee's Shanghai-based organizations before going to Jiangxi to serve as secretary general of the Central

Bureau of the Soviet area of the CPC Central Committee. She also participated in the world-renowned, 25,000-li Long March. Whether faced with the threat of white terror from the Kuomintang reactionary clique, under the trying circumstances of revolutionary base areas, or in the harsh situation resulting from strategic shifts, Comrade Deng Yingchao remained faithful and unyielding, had full confidence in the future of the revolution, and exhibited a communist's indomitable spirit of fighting courageously. After the outbreak of the War of Resistance against Japan, Comrade Deng Yingchao successively served as member of the Women's Work Committee of the Changjiang Bureau of the CPC Central Committee, member of the Southern Bureau of the CPC Central Committee and secretary of its Women's Work Committee, deputy secretary of the Women's Work Committee of the CPC Central Committee, and member of the CPC delegations to Chongqing and Nanjing. During that period she joined Comrade Zhou Enlai and others in waging a tit-for-tat struggle against the Kuomintang reactionary clique in Kuomintang-ruled areas and in actively rallying people from all social sectors to wage an unflagging struggle to continue the War of Resistance against Japan and to oppose capitulation and fragmentation. She achieved remarkable success in this respect. In March of 1947 Comrade Deng Yingchao was ordered back to Yanan to serve as acting secretary of the Women's Work Committee of the CPC Central Committee. She was elected vice president and deputy party secretary of the All-China Women's Federation [ACWF] at the first national congress of Chinese women in 1948. She set forth new tasks regarding women's affairs and made important contributions to the deliverance of women and peasants in liberated areas.

After the founding of New China, Comrade Deng Yingchao held leading ACWF, party, and government posts for a long time, serving successively as ACWF vice president, ACWF deputy party secretary, ACWF honorary president, vice chairwoman of the Chinese People's National Committee for Defense of Children, vice chairwoman of the Standing Committee of the Fourth and Fifth NPC, second secretary of the Discipline Inspection Commission of the CPC Central Committee, member of the Political Bureau of the 11th and 12th CPC central committees, and chairwoman of the Sixth National CPPCC Committee. She worked her heart out, spared no efforts, devoted all her energies, and made tremendous contributions to carrying out our country's socialist revolution and construction, building socialist democracy and the socialist legal system, developing the CPC-led system of multiparty cooperation and political consultation, tightening party discipline, safeguarding the rights and interests of women and children, and realizing the great cause of reunifying the motherland.

In her revolutionary career of over 70 years, Comrade Deng Yingchao displayed steadfast faith in communism and boundless loyalty to the party, the people, and the proletarian revolutionary cause. She had the national

interests in mind, upheld principles, and observed party discipline in an exemplary way. She was open, aboveboard, modest, prudent, always maintained close ties with the masses, and unselfishly dedicated herself to the interests of the party and the people. She was hardworking and frugal; she was honest in performing official duties, amiable, and consistently displayed the sterling qualities of a public servant. Comrade Deng Yingchao was a proletarian revolutionary of the older generation who commanded high prestige at home and abroad and enjoyed great esteem and love of the whole party and people of all nationalities across the country.

After her retirement from leadership positions in 1988, Comrade Deng Yingchao did not cease to care about the construction of the party and state for a moment. She wholeheartedly supported the line, principles, and policies pursued since the Third Plenary Session of the 11th CPC Central Committee, supported the party's basic line of one central task and the two basic points, and firmly supported the central collective leadership with Comrade Jiang Zemin as its core. She spoke highly of Comrade Deng Xiaoping's speeches during his southern tour and the guidelines of the plenary session of the Political Bureau and ardently hoped for greater prosperity for her motherland and early reunification across the strait.

The passing away of Comrade Deng Yingchao is a great loss for the party and state. We lost in her a veteran party member and an elder sister of noble character and high prestige. The whole party and the whole nation must turn grief into strength, learn from her noble revolutionary spirit and outstanding moral character, rally closely around the Central Committee of the CPC with Comrade Jiang Zemin as its core and work hard to achieve the second-step strategic objectives and build socialism with Chinese characteristics.

Comrade Deng Yingchao will, like Comrade Zhou Enlai, live forever in the people's minds. Eternal glory to Comrade Deng Yingchao.

[Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese on 13 July on page 1 carries a XINHUA report entitled "Obituary Issued by CPC Central Committee, National People's Congress Standing Committee, State Council, and Chinese People's Political Consultative Conference Grievously Announce Death of Comrade Deng Yingchao," which adds the following introduction in boldface before the above report:

["Comrade Deng Yingchao was a great proletarian revolutionary, stateswoman, prominent social activist, staunch Marxist, eminent party and government leader, and pioneer of the Chinese women's movement.

["The obituary speaks highly of the outstanding contributions Deng Yingchao made to the Chinese people's revolution and construction and of her brilliant and fighting life."]

[Beijing RENMIN RIBAO in Chinese on 12 July on page 1 carries a XINHUA report entitled "Obituary Issued by CPC Central Committee, National People's Congress Standing Committee, State Council, and Chinese People's Political Consultative Conference National Committee Grievously Announce Death of Comrade Deng Yingchao," which adds the following introduction in boldface before the above report:

["Comrade Deng Yingchao was a great proletarian revolutionary, stateswoman, prominent social activist, staunch Marxist, eminent party and government leader, and pioneer of the Chinese women's movement. In her revolutionary career of over 70 years, she displayed steadfast faith in communism and boundless loyalty to the party, the people, and the proletarian revolutionary cause. She had the national interests in mind, upheld principles, and observed party discipline in an exemplary way. She was open, aboveboard, modest, and prudent, always maintained close ties with the masses, and unselfishly dedicated herself to the interests of the party and the people. She was hardworking and frugal; she was honest in performing official duties, amiable, and consistently displayed the sterling qualities of a public servant. Comrade Deng Yingchao was a proletarian revolutionary of the older generation who commanded high prestige at home and abroad and enjoyed great esteem and love of the whole party and people of all nationalities throughout the country."]

Letter Requests No Funeral Service

OW1107113192 Beijing XINHUA Domestic Service
in Chinese 0925 GMT 11 Jul 92

[Text] Beijing, 11 July (XINHUA)—The late Comrade Deng Yingchao wrote a letter to the CPC Central Committee as follows:

The CPC Central Committee:

I was among the first members of the Communist Youth League when it was founded in Tianjin in 1924. In March 1925, the Tianjin City Party Committee inducted me as a full party member.

All people eventually die. I earnestly request that the CPC Central Committee grant me the following wishes with regard to the postmortem arrangements:

1. Cremate my body after a postmortem examination.
2. Scatter my ashes instead of preserving them. Comrade Zhou Enlai and I agreed to do this when the decision on cremation was promulgated in 1956.
3. Do not hold any ceremony for paying last tributes.
4. Do not hold any funeral service.
5. Publish these wishes in lieu of a news report of my death. I am making these requests because I believe a communist's service to the people is limitless, and all decisions concerning their work and position are to be made by the party and the people.

The above was written on 1 July 1978. I am copying it down and adding the following two points:

1. The house I am residing in is the one I shared with Comrade Zhou Enlai. It belongs to the whole people and should be returned to the authorities. Please do not turn it into a former residence, a memorial, or anything like that. Comrade Zhou Enlai opposed this practice while he was alive, and it is a view I share.

2. It is requested that the CPC and other departments concerned not take special care of Comrade Zhou Enlai's relatives on his account nor follow organizational principles or discipline in making arrangements for them because of their feelings for Comrade Zhou Enlai. [Beijing RENMIN RIBAO OVERSEAS EDITION on 13 July carries a similar XINHUA report entitled "Comrade Deng Yingchao Leaves a Letter to CPC Central Committee," which renders this passage as follows: "It is requested that leaders and other comrades of the CPC and other departments concerned not take special care of or make special arrangements for Comrade Zhou Enlai's relatives, including his nephews and nieces, on his account or because of their sentiments for him, in violation of the organizational principles of discipline."] This was Comrade Zhou Enlai's consistent stand, which I have always firmly supported. It is an indispensable requirement for the improvement of party workstyle. I do not have any relatives myself. The only distantly related nephew I have is a man of circumspection who has never taken advantage of his relationship with me to ask for favors. I would like to request that the above two points be published along with my other wishes.

Deng Yingchao,
Rewritten on 17 June, 1982.

Report Lists Leaders Who Visited Deng Yingchao
OW1107154292 Beijing Central People's Radio
Network in Mandarin 1030 GMT 11 Jul 92

[From the "National Hookup" program]

[Text] According to XINHUA, Comrade Deng Yingchao, a great revolutionary and statesman of the proletariat, a noted socialist activist, a staunch Marxist, a brilliant party and state leader, and a forerunner of the women's movement in China, died at 0655 in Beijing today of overwhelming illness which failed to react to medical treatment. When Comrade Deng Yingchao was dying, Jiang Zemin, Li Peng, Wan Li, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, and other leading comrades of the central authorities visited her at the Beijing Hospital.

When Comrade Deng Yingchao was critically ill, Comrades Deng Xiaoping, Yang Shangkun, Chen Yun, Peng Zhen, and Wang Zhen either visited her in the hospital or requested their relatives or aides to do so.

Other leading comrades going to the hospital to express their condolences for Comrade Deng Yingchao this

morning were: Li Tieying, Li Ximing, Wu Xueqian, Qin Jiwei, Ding Guangren, Zou Jiahua, Bo Yibo, Song Renqiong, Liu Huaqing, Yang Baibing, Wen Jiabao, Wang Ping, Liu Lantao, Yang Dezhi, Xiao Ke, Yu Qiuli, Zhang Jingfu, Lu Dingyi, Chen Pixian, Chen Xilian, Ji Pengfei, Huang Hua, Kang Shien, Peng Chong, Ngapoi Ngawang Jigmei, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Ni Zhifu, Sun Qimeng, Lei Jieqiong, Wang Hanbin, Wang Bingqian, Wang Fang, Li Guixian, Chen Xitong, Chen Junsheng, Fang Yi, Hong Xuezhi, Gu Mu, Yang Jingren, Zhou Peiyuan, Zhao Puchu, and Hu Sheng.

Other leading comrades who visited Comrade Deng Yingchao in the hospital when she was critically ill, or who made telephone calls to express their condolences after Comrade Deng Yingchao died were: Tian Jiyun, Yang Rudai, Zhu Rongji, Wang Shoudao, Wu Xiuquan, Jiang Hua, Li Desheng, Zhang Aiping, Hu Qiaomu, Duan Junyi, Geng Biao, Xi Zhongxun, Zhu Xuefan, Seypidin Aza, Zhou Gucheng, Chen Muhua, Fei Xiaotong, Song Jian, Qian Qichen, Ren Jianxin, Liu Fuzhi, Pagbalha Geleg Namgyai, Wang Guangying, Deng Zhaoliang, Ba Jin, Ma Wenrui, Liu Jingji, Wang Enmao, Qian Xuesen, Qian Weichang, Cheng Siyuan, Lu Jiaxi, Qian Zhengying, Su Buqing, Ismail Amat, Hou Jingru, Ding Guangxun, and Ye Xuanping.

Wang Zhen 'Resting'; May Retire After Congress
HK1107070392 Hong Kong TA KUNG PAO
in Chinese 11 Jul 92 p 12

["Wang Jun on Father, Wang Zhen's Condition"]

[Text] Wang Jun, China International Trust and Investment Corporation (Group) [CITIC] permanent director of the board and concurrently vice president, revealed in Hong Kong yesterday that he is confident about the completion of Hong Kong's new airport. He added that CITIC and a Houston, United States, company are ready to jointly bid for the new airport's security and air command control systems.

Wang Jun made the above statement while attending a cocktail party hosted by Chinghsin Advertisement Company, Ltd. for its grand opening.

In addition, Wang Jun said that he knew nothing about the talks on the new airport, but he believed that the new airport would eventually be completed; people had only to be patient for a little while.

When asked about whether or not his father, Wang Zhen, supported the spirit of Deng Xiaoping's remarks made during his southern inspection tour, Wang Jun said, no one in China would shrink from supporting opening up and reform; right now, the majority of businessmen are studying all sorts of programs for opening up, in the hope of still greater development. He added, without reform and opening up, there would not have been a CITIC, which could have taken no other stand.

Talking about his father's recent situation, Wang Jun said, he has been ill and is resting in Beijing. Regarding Wang Zhen's future after the CPC 14th National Congress, he believes that, when one gets really old, one should retire, and is entitled to more rest.

'Hardline' Leader Endorses Deng's Reform Call

HK1307004092 Hong Kong SOUTH CHINA
MORNING POST in English 13 Jul 92 p 10

[By Geoffrey Crothall in Beijing]

[Text] The embattled hardline leader of the Beijing Municipal Communist Party, Mr Li Ximing, has publicly endorsed paramount leader Mr Deng Xiaoping's call for faster economic growth and reform.

Speaking at an enlarged meeting of the Beijing party standing committee at the weekend, Mr Li called on delegates to further study and implement the important remarks made by Mr Deng during his visits to southern China and the Capital Iron and Steel Works in May.

He said Mr Deng's comments had laid a good foundation for Beijing to enter a new period of economic development but more work still needed to be done.

Analysts said the Beijing party secretary's strong public support for a faster pace of economic reform clearly indicated he was trying to get back in favour with Mr Deng during the run-up to the crucial 14th national party congress.

It is widely believed that Mr Li, an inveterate hardliner, will lose his politburo seat at the congress and his speech to the Beijing party is being seen as a last-ditch attempt to prevent that from happening.

"Li Ximing has evidently come to the conclusion that the only way to save his skin is to lavish praise on Deng Xiaoping and be seen to be at the vanguard of economic reform," a Western diplomat said.

"The number of times he mentioned Deng Xiaoping in his speech shows just how desperate he has become."

The death of three highly influential conservatives—Mr Li Xiannian, Mr Wang Renzhong and most recently Ms Deng Yingchao—in the last four months and the failure of several well-known hard-liners to be elected to the 14th party congress have convinced many that the conservatives are fighting a lost cause.

"The only option for Li Ximing is to switch sides and that is exactly what he appears to have done. He is a very cunning politician so I would not write him off just yet," one analyst said.

In his speech, Mr Li outlined five basic tasks for the party and government in the coming months, all of which echo the remarks of Mr Deng.

Beijing should strive for even higher economic growth, give more autonomy to state-run enterprises and reform

the economic structure, with particular emphasis being given to the development of the tertiary sector, Mr Li was quoted by the BEIJING EVENING NEWS as saying.

The city should in addition adopt a more outward-looking perspective and encourage more foreign investment, he said. This from a man who only last year reportedly said joint ventures were the "tail of capitalism" and that tail would soon be cut off.

More Dissidents Reportedly Allowed To Go Abroad

HK1307070092 Hong Kong MING PAO in Chinese
13 Jul 92 p 49

[Report: "Shanghai's Noted Writer Bai Hua Permitted To Go Abroad; Dissident Wang Ruowang To Apply for U.S. Visa"]

[Text] Shanghai sources say that, amid the call for further reform and opening up in China, the political atmosphere seems to be slightly relaxed. Earlier, the two noted intellectuals from Shanghai, Wang Ruowang and Wen Yuankai—the latter a professor of the Chinese University of Science and Technology—were given permission to travel abroad. Recently, Bai Hua, Shanghai's renowned writer, was notified that he was allowed to travel abroad for visits.

Bai Hua had been denied permission to travel abroad for three years after the 4 June incident until recently, when the concerned authorities notified him that they would help him obtain a passport. Bai Hua is due to visit Japan on invitation next month to attend a short symposium on artistic creation.

Also, the passport for Wang Ruowang, the veteran writer from Shanghai, has just been issued. He is going to the U.S. Consulate in Shanghai in a day or two to apply for his U.S. visa.

As to Wen Yuankai, who teaches at the Chinese University of Science and Technology in Hefei, Anhui, and resides in Shanghai, university authorities have notified him that his passport is ready for collection on campus in a couple of days. Upon invitation, Wen Yuankai will visit California Institute of Technology of the United States next month for academic studies, carrying on with his research on the computerization of the development of anticancer medicine.

With regard to another development, however, Zhu Xingqing [2612 2622 3237], former deputy editor-in-chief of Shanghai's SHIJIE JINGJI DAobao, applied for permission to visit Australia which still has not been granted. The label of "on bail awaiting trial" is still kept on Zhang Weiguo [1728 0251 0948], director of SHIJIE JINGJI DAobao's Beijing Office.

Six Men Executed in Beijing for Abusing Women*HK1007121692 Hong Kong AFP in English 1115 GMT 10 July 92*

[Text] Beijing, July 10 (AFP)—Six men were executed here Friday [10 July] for killing, injuring or raping women amid a campaign to increase Chinese women's awareness of their legal rights.

The Beijing Intermediate People's court announced death sentences against the six at a public meeting before they were taken to an execution ground and shot, the Beijing Evening News reported. Three others convicted of similar crimes were jailed for life, it said. Some of the criminals had intentionally thrown acid on women to deface them, Beijing television said.

The public meeting was held in an auditorium packed with mostly women. The convicts, surrounded by police, were lined up and forced to hold their shaved heads to the floor.

The authorities recently launched a campaign to inform Chinese women of a recently passed law that protects their rights.

Many Chinese women accept being beaten by their husbands or boyfriends or harassed by their male employers. They are reluctant to bring attention to the issue, fearing they will be publicly shamed.

Circular Bans Sale of 'Darkie' Toothpaste*OW1007113192 Beijing XINHUA in English 1006 GMT 10 Jul 92*

[Text] Beijing, July 10 (XINHUA)—The State Administration of Industry and Commerce and the Ministry of Commerce have jointly issued a circular, banning the sale of Darkie tooth paste in the country.

According to the circular, the tooth paste is banned because it bears a tint of racial discrimination.

The tooth paste bears the words "Darkie" and "Darlie", which is derived from "Darkie." Both are contemptuous names for black people [as received]. The container bears a vilified portrait of the head of a black person.

The circular said that the words and the portrait trade mark on the tooth paste bear a tint of racial discrimination against black people and violate relevant articles in China's trade mark law.

According to the 8th and 34th articles of the law, the circular orders all shops and individuals to immediately stop selling the tooth paste. Those shops and individuals who continue to sell the tooth paste will be fined by administrative departments of Industry and Commerce.

Commentator on Effort To Eliminate Prostitution*HK1207071292 Beijing RENMIN RIBAO in Chinese 9 Jul 92 p 1*

[Commentator's article: "Never Be Soft in Eliminating Vicious Phenomena"]

[Text] Recently, Guangdong Province adopted resolute measures to carry out an in-depth struggle against all kinds of vicious phenomena throughout the province, cracking down on prostitution as the main target. This effort purified the social atmosphere, maintained public security and order, and created a better environment for deepening reform and opening up wider to the outside world. It was enthusiastically supported by the vast numbers of cadres and masses and was praised by Hong Kong, Macao, and Taiwan compatriots and foreign businessmen.

During his inspection in Guangdong at the beginning of this year, Comrade Xiaoping pointed out: "We should grasp things with both hands, one hand grasping reform and opening up and the other grasping on the crackdown on all kinds of criminal activities. We should attach equal importance to both. In cracking down on all kinds of criminal activities and eliminating all kinds of vicious phenomena, we should never be softhearted." Since China opened to the outside world, some decadent things have also entered our country and vicious phenomena, such as drug-taking, prostitution, and economic crimes, have emerged in some places. In some areas, repeated efforts have not been able to curb such vicious phenomena, and in some other areas there are signs of further spreading. This has not only seriously corrupted the social atmosphere, led to criminal offenses, and brought about all kinds of corruptive phenomena, but has also poisoned the younger generation and hurt the victims physically and mentally. We should attach great importance to this and should, in a high sense of responsibility and attitude toward the party, the state, the masses of people, the nation, and history, take severe measures to ban and deal heavy blows at all kinds of vicious phenomena without leniency.

Judging from Guangdong's situation of struggle to eliminate all kinds of vicious phenomena, in order to resolutely and unswervingly crack down on all kinds of criminal activities and eliminate all kinds of vicious phenomena, it is necessary to vigorously publicize the National People's Congress [NPC] Standing Committee's decision on strictly forbidding prostitution and eliminating other vicious phenomena, further correct the erroneous views of a small number of cadres and masses who believe that the vicious phenomena such as prostitution are "unavoidable," "do not affect the overall situation," and are "helpful rather than harmful," and help them increase the understanding of the harmfulness of prostitution and other vicious phenomena and the necessity of eliminating vicious phenomena. At the same time, we should also point out justly and assuredly that prostitution and other vicious phenomena are entirely

incompatible with the socialist system and the traditional merits of the Chinese nation. They are despised by all decent people. Prostitution and pornography are harmful to the building of socialist spiritual civilization and detrimental to carrying out further reforms and opening up wider to the outside world. This should be made very clear.

At present, areas are carrying out struggles to eliminate vicious phenomena. This is an important measure for implementing Comrade Xiaoping's important south China tour speeches, which stressed "grasping things with both hands" and "attaching equal importance to both," an important guarantee for deepening reform, opening wider, and developing the economy as well as a need of building socialism with distinctive Chinese characteristics. Thus, relevant departments and areas are required to rely on the vast numbers of cadres and masses, use political, administrative, legal, educational, and other means, and adopt various measures, including dealing blows, banning, rectifying, strengthening management, and preventing, in order to firmly and successfully promote the work of eliminating vicious phenomena and achieve substantial results in this struggle.

In the effort to eliminate vicious phenomena, with prostitution as the main target, it is necessary to be prepared for a long-term struggle. It is necessary to gain a sufficient understanding of the stubbornness of prostitution and the arduousness of the work to crack down on and ban prostitution so we do not slacken our efforts. In this struggle, we should deal blows at those criminal offenders and chieftains of criminal groups who have organized, forced, induced, or introduced women to prostitution or have accommodated them for prostitution. We should continue to adopt the policy of dealing severe and prompt blows toward these serious criminals and should never permit the replacement of punishment and education with fines. The criminals who have shielded and encouraged prostitution should also be investigated and charged with the relevant crimes. Party-member cadres and cadres of state organs who are involved in prostitution should be investigated and punished severely. Apart from punishments according to party discipline and administrative discipline, those who are involved in serious cases should be investigated and punished according to the law.

The public security organs are functional departments for cracking down and banning prostitution and other illegal and criminal activities. To carry out strict public security management in various fields, it is also necessary to coordinate closely with the Chinese Youth League [CYL] organizations and the federations of women to strengthen moral and legal education and education in the concept of getting rich through labor for those involved in prostitution so they can mend their ways and start a new life.

Editorial Views Party Building, Reform

HK1107020992 Beijing GUANGMING RIBAO
in Chinese 1 Jul 92 p 1

[Editorial: "Building Party Stronger in Course of Reform and Opening Up"]

[Text] The glorious day of the 71st founding anniversary of the CPC has come at a time when the entire party and the people throughout the country are conscientiously studying and implementing Comrade Deng Xiaoping's important talks and the spirit of the CPC Central Committee Political Bureau plenary session. In celebrating the party's birthday at present, we should comply with the demands of the party Central Committee with Comrade Jiang Zemin as the core, firmly implement the party's basic line of "one central task, two basic points" in a comprehensive way, emancipate our minds, boldly carry out experiments, remove all obstacles, seize the favorable opportunity, speed up the pace of reform and opening up, concentrate our efforts on economic construction, and build the party stronger in the course of reform and opening up.

China's reform and opening up have entered a new development period. Our party is facing many new problems, new contradictions, and new subjects which it has never encountered in the past. Therefore, party building and party leadership forms and methods should correspondingly be changed and improved. We should use and develop our previous successful experience in party building in light of our new actual conditions. But old experience and old methods alone are not adequate, and new contributions and creation must be made. In the theory of party building, bold explorations must be made in light of new conditions to strive for new achievements; in practice, all-level party organizations and party members should be encouraged to make bold explorations, to seek and create new methods and accumulate new experience in ideological, style, and organizational building. In economic construction, reform, and opening up, major efforts should be made to strengthen all aspects of party building. This is not only an inherent demand for party building under new historical conditions but also an objective need for party members to withstand new tests and preserve their advanced nature forever.

To build the party stronger in the new period of reform and opening up, we should stick to the principle of joining the party ideologically and continue to display the exemplary vanguard role of Communist Party members. Communist Party members must join the party not only organizationally but also ideologically. This is the party's important principle for party building. Every Communist Party member should really join the party ideologically. Namely, they should bear in mind the party's aim and wholeheartedly serve the people; they should not serve the people half-heartedly or even pretentiously. During the revolutionary war period, countless Communist Party members were loyal to the party

and the people and fought bravely and feared no sacrifice in overthrowing the three big enemies and founding New China, thus playing an exemplary vanguard role. They were glorious Communist Party members worthy of the name. In the new historical period, conditions, environments, and tasks have changed, but the advanced nature of Communist Party members should not change. Now Communist Party members should stand in the forefront of expediting reform, opening up, and economic construction; sincerely serve the people; and lead the masses in working hard continuously and making actual achievements for economic development and social progress. Only in this way can they be called genuine Communist Party members.

To build the party stronger in the new period of reform and opening up, party leading cadres at all levels should set a good example, take the lead in everything, and oppose corruption. Positive and negative experiences over past years suggest that if an unhealthy party style and corruption are not removed, this is a serious and fatal wound to the party's unity, uniformity, discipline, reputation, and combat worthiness. Therefore, fundamentally speaking, it damages the relations between the party and the people, which are as close as water and fish. To fundamentally change this situation and solve this major problem which has an important bearing on the life or death of the party, it is necessary to form a healthy atmosphere in the party, particularly among all-level party leading cadres, and to remove unhealthy trends which corrode the party organism. Party leading cadres at all levels were "the first to charge and the last to retreat" during the revolutionary war years and "the first to bear hardship and the last to enjoy comfort" in the 1950's and 1960's. In the new period of reform and opening up, party leading cadres should earnestly set a good example, emancipate their minds, carry out bold explorations, be selflessly devoted, oppose corruption, and make contributions and achievements for economic construction, reform, and opening up. As long as leading party cadres at all levels can set a good example, the large numbers of Communist Party members and masses will certainly follow, and party style and the general mood of society will change for the better.

To build the party stronger in the new period of reform and opening up, party members and cadres should strengthen their study and improve the party's leadership level. First, we should strengthen our study of Marxism-Leninism-Mao Zedong Thought, particularly Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, use them to arm our minds, and turn them into our action mottoes in strengthening the cultivation of party spirit and in doing our jobs well. Second, we should strengthen our study of economic knowledge and practical experience in economic work. Economic construction is our central task. If we do not have economic knowledge and lack practical experience in economic work, we cannot differentiate between right and wrong or truth and falsehood on many problems, nor can we exercise leadership in many issues. Third, we

should strengthen our study of modern scientific and cultural knowledge. "Science and technology are the primary productive forces." The relations between science and technology and economic construction are becoming increasingly closer and mutually promoting. This requires Communist Party members, particularly party leading cadres at all levels, to master as much scientific and cultural knowledge as possible and to improve their political and vocational quality. Only in this way can we really display the exemplary vanguard role of Communist Party members in the new period of reform and opening up and exercise correct, scientific leadership.

The tasks in the new period of reform and opening up are magnificent, and the task of strengthening party building is major and arduous. Let us closely unite around the party Central Committee with Comrade Jiang Zemin as the core; work with one heart, one mind, and unanimous steps; constantly improve party organizations' combat worthiness and constantly strengthen and improve party leadership in the great practice of taking an active part in reform and opening up and carrying out socialist modernization; build the party stronger; and usher in the party's 14th congress with outstanding achievements!

14th Party Congress Preparations 'in Full Swing'

HK1307061992 Hong Kong TA KUNG PAO
in Chinese 13 Jul 92 p 2

["Special article" by Tseng Hsiang (2582 4382): "Preparations for the 14th CPC National Congress Are in Full Swing"]

[Text] The preparatory work for the 14th CPC National Congress is on schedule. From localities to central departments, congress delegates have been elected. The report to be delivered to the congress is also being smoothly drafted. Deng Xiaoping's talks during his inspection tour to the south last spring consolidated mainstream opinion inside the party and fixed the keynote for the 14th party congress.

Delegates Elected With Number of Candidates Exceeding Number of Seats

The identity of the party delegates to the 14th party congress is a question being carefully watched by outsiders. Some people have made a quick conclusion from the fact that such people as Deng Liqun, Wang Renzhi, Xu Weicheng, and Gao Di failed to be elected in elections where candidates exceeded the number of seats. Some people, however, also reached an opposite conclusion from the rumor that Hu Qili and Yan Mingfu were not elected. Voting behavior is usually affected by various considerations. Simplistic interpretations of election results may be far from reality. Zhou Guanwu, responsible person of the Shoudu [Capital] Iron and Steel Complex, is certainly a famous reformist known to the whole country, and he received Deng Xiaoping's personal visit not long ago at the steelworks. This time, Zhou, together with Jiao Ruoyu, former Beijing mayor,

and Zhao Pengfei, current chairman of the Beijing Municipal People's Congress, was not elected a 14th party congress delegate. According to informed sources, these three are all over 70 years old, so they were not elected in the secret ballot. Maybe the party members tended to circle the names of younger candidates on their ballots, although the local party congresses did not lay down any age limits on delegates to the congress.

Calm Discussions Between Different Opinions

Deng Xiaoping's speeches during his inspection tour in the south were warmly supported inside and outside the party, and the thinking of leaders at all levels was brought into line with the principle of "one center, two basic points." Of course, in a large political party with tens of millions of members, it is normal to have different viewpoints and opinions. Some people who are anxious to see drastic changes would certainly attack others who are considered to have ossified minds; and some people would be particularly sensitive to the call to guard against "leftism" and try hard to defend themselves. In general, the party rank and file and the general public hope for stability and want to concentrate on economic construction to prevent this central task from being disrupted. In fact, Deng Xiaoping's speeches laid down stipulations in two aspects: First, "China should keep vigilance against rightism, but should mainly guard against 'leftism.'" Second, "in the whole process of reform and opening up, attention must always be paid to adhering to the four cardinal principles. At the Sixth Plenary Session of the 12th CPC Central Committee, I said that the struggle against bourgeois liberalization still had to be carried out for another 20 years. It seems now that the time should be longer than 20 years." On the basis of such consensus, the scope of debates is limited. Deng Xiaoping also said: "No debate is my invention." A rather balanced opinion holds that the report to the party congress may give expression to different viewpoints without attaching such labels as "ossification" or "liberalization" to them. The previous experience remains fresh in people's minds, and, for the time being, there does not exist an atmosphere for major political debates. The limited differences can be settled through calm and democratic elections. This is undoubtedly gratifying progress.

The New Tide of Emancipating the Mind

On 1 July this year, RENMIN RIBAO published an editorial marking the 71st anniversary of the CPC's founding. It pointed out that if some party members are still not freed from the shackles of "leftism," they will certainly be spurned by the masses and cast away by history. Deng Xiaoping also uttered similar remarks. This is said in the fundamental sense.

The CPC leadership is still encouraging and stressing the emancipation of the mind rather than making personnel adjustments. As facts in reality show, since Deng Xiaoping's talks were published, a new upsurge of reform, opening up, and economic construction has arisen in all

parts of China. More importantly, a new round of the emancipation of the mind is being brought about.

Minister Addresses Meeting on Ideological Work

OW1207144292 Beijing XINHUA Domestic Service
in Chinese 1057 GMT 8 Jul 92

[By RENMIN RIBAO reporter Zhang Jinli (1728 6930 0500) and XINHUA reporter Jiang Jun (1203 6511)]

[Text] Beijing, 8 July (XINHUA)—A national meeting on ideological and political work in commercial departments was convened today in Beijing. At the meeting Minister of Commerce Hu Ping called for a new upsurge in emancipating the minds among commercial departments so they will break free from the shackles of "left" ideas; will lift themselves out of the ideological boundary of a product economy; and will absorb all the achievements of civilization of mankind in a bold, persistent, and active manner.

Hu Ping said: With the deepening of reform and opening up, the circulation sector's importance to the national economy has won ever increasing recognition. Today commerce is at a crucial juncture of development. We must foster the idea of the market and enhance our sense of competition. We must replace the style of "bureaucratic business" with a heightened sense of service. We must improve enterprise management and enhance our awareness of efficiency. We must foster the idea of greater circulation, greater markets, and greater commerce; we must increase our awareness of the situation as a whole. We must provide guidance to the vast number of cadres and help them break free from the confines of traditional operations, overcome parochial departmentalism, set their eyes on the great commerce of the whole of society, and participate in the great market and circulation of the entire nation and even the entire world. He pointed out: While deepening reform in commercial departments, we must carry out ideological and political work with great earnest. Shifting the operative mechanism of enterprises and deepening their internal reform involves risks from time to time. These reforms will inevitably touch on the fundamental thoughts of the staff members and workers as well as their immediate interests. Therefore, painstaking and meticulous ideological and political work is indispensable. We must conduct education among staff members and workers of commercial departments in order to enhance their understanding of the nature, goals, and great significance of reform. We should further emancipate our minds and change our concepts in regard to the subject of speeding up the development of socialist market economy; must seize the golden opportunity presented by the 1990's for developing commerce; and must develop a commercial economy with all our energies.

Xu Weicheng, executive deputy head of the Central Propaganda Department, attended the meeting and spoke. Leading comrades of the State Council and relevant departments took the meeting seriously and offered their support.

Wu Bangguo Addresses Telecommunications Meeting
OW1007120392 Shanghai WEN HUI BAO
in Chinese 1 Jul 92 p 1

["Go All Out to Develop Telecommunications Industry"]

[Text] Shanghai's high-tech telecommunications industry is in a beneficial trend of development. By the end of last year it had achieved an output value of 1.4 billion yuan. That output value will rise to 5 billion yuan in 1995, and will exceed 10 billion yuan by the end of the century. A Shanghai municipal meeting on developing the telecommunications industry was held yesterday. At the meeting Wu Bangguo, secretary of the municipal party committee, said: The municipal party committee and the municipal government are determined to develop Shanghai's telecommunications industry; they regard it as a backbone industry. In the development of Shanghai's telecommunications industry, we also need to further emancipate our mind and change our mind-set. In other words, we should display a reform spirit, should think in long-term interests, and should take bold action to turn Shanghai's telecommunications industry into a full-fledged industry as soon as possible.

The responsible persons of the Shanghai Optical Fiber Telecommunications Engineering Company, the Shanghai Beier [Bell] Company, the Shanghai Beiling Microelectronics Manufacturing Company, Limited, and the Shanghai Changjiang Telecommunications Equipment (Group) Company exchanged experience in how to accelerate the development of the telecommunications industry. Xie Gaojue, vice minister of the Ministry of Posts and Telecommunications, addressed the meeting; so did the leaders of the Ministry of Machine-Building and Electronics Industry. Also present were Liu Zhenyuan, vice mayor of Shanghai, and Gu Xunfang, adviser to the municipal leading group for the development of the telecommunications industry.

Wu Bangguo delivered an important speech at the meeting. In it he fully expounded Shanghai's situation of reform and opening up, as well as the importance and urgency of making great efforts to develop the telecommunications industry. Wu Bangguo said: Shanghai's present situation is gratifying, yet presses and urges us to forge ahead. Shanghai's high-tech telecommunications industry is in a beneficial trend of development. It achieved an output value of 1.4 billion yuan in 1991, doubling that of 1990. The municipal party committee and the municipal government are determined to turn Shanghai's telecommunications industry into a backbone industry. In the development of Shanghai's telecommunications industry, we should further emancipate our mind and change our mind-set. In other words, we should display a spirit of reform in order to accomplish several major tasks and turn the telecommunications industry into a full-fledged industry as soon as possible.

Wu Bangguo pointed out: The development of Shanghai's telecommunications industry should adhere to the

following important guiding principles: 1) the technological standards should be high, the scale of production should be large, and the upgrading of products should be fast; 2) macro-economic control must not be from more than one department, and micro-economic projects must not overlap in scattered locations; and 3) it is necessary to concentrate manpower and material as well as financial resources on priority projects in consideration of international and domestic market demand, and to strive to build more backbone industries for the next generation.

Wu Bangguo said: In the development of high-tech industries, we should sincerely create "China brands." The creation of "China brands" should be based on the sharing of both profits and risks. We should also weaken the superior-subordinate mentality. We warmly welcome the enterprises and organizations of central ministries and commissions in Shanghai to participate in Shanghai's development of high-tech industries with their market, technology, manpower and capital; to give play to their strong points; and to take a road of common development. He added: In order to turn our high-tech industry into a full-fledged industry, we should boldly promote joint ventures; should strengthen cooperation with selected large foreign companies; should establish several large, modern, and high-standard joint ventures; and should establish long-term mutually-beneficial relations with foreign partners. Wu Bangguo continued: High-tech enterprises should conduct their business according to international practice, should keep in touch with the international economic community, should enter the international market, and should participate in international competition. Handsome rewards should be given to scientific and technological personnel who have made contributions to the high-tech industry. It is necessary to build a mechanism for attracting and training qualified personnel, as well as for arousing the enthusiasm, initiative, and creativity of scientists and technicians.

Comrade Wu Bangguo emphasized: In the development of the high-tech telecommunications industry, we must stress actual deeds and practical results as well as seriously perform relevant tasks. Departments which have overall responsibility should consider the interests of the whole, should cooperate closely with one another, should improve working efficiency, should support the high-tech industry with preferential policies, and should wholeheartedly solve problems for the grass-roots level. Shanghai's telecommunications industry should truly create combined strength, should consider the interest of the whole, should display a great cooperative spirit, and should go all out to develop the telecommunications industry. It is necessary to establish a system of workpost responsibility, to practice a strict system of division of labor among leading cadres, and to enforce the system of workpost responsibility for certain projects. A special project should be put in the charge of a special person, and the person in charge should be given full authority, do all he can, and take full responsibility to ensure a smooth progress of the project according to plan.

Li Ruihuan Speaks to Producers of Film 'Venus'

OW1107072792 Beijing XINHUA Domestic Service
in Chinese 1150 GMT 7 Jul 92

[Speech by Li Ruihuan at a reception for producers of the film "Venus" on 7 July; passages within slantlines deleted by a XINHUA "correction" transmitted at 1632 GMT on 7 July]

[Text] Beijing, 7 July (XINHUA)—Comrades: Like all of you, I feel "Venus" is indeed a good film, having profound ideological content as well as a strong artistic appeal. I believe it will exert a healthy influence on society after it is shown to the public.

The relations between father and son, teacher and student, instructor and apprentice, as well as relations between colleagues—as depicted in the film—epitomize the life of ordinary people, or the so-called trivialities of common people. Nevertheless, it reflects the traditional virtue of our nation and reveals a new form of human relations based on equality, unity, affection, and mutual assistance in socialist society. The establishment of wholesome human relations is a basic requirement in the construction of socialist ethics. For a considerable period of time under the "leftist" ideological influence, some individuals perceived contradictions among the people in the light of "taking class struggle as the key link"; at the slightest opportunity, they elevated minor mistakes to the level of principles and the line, and they wantonly suppressed and persecuted people with broad labels, seriously distorting human relations and causing unnecessary tension in some places. This /is against the Marxist principle and/ does not conform with the aspirations of the broad masses of the people. As we often say, when a family is harmonious, its members succeed in outside undertakings; when the people are happy, the nation prospers. Harmonious human relations and stable social order are the important guarantee for implementing the party's basic line in all fields, accelerating the pace of reform and opening up, and striving to push the economy to a new stage of development more quickly and more efficiently. If each of us shows a little more understanding, sincerity, and friendship, and if we keep up the spirit of unity, affection, and mutual assistance as depicted in "Venus," there is no need to worry about political order and stability or economic prosperity and development for a long time to come.

Under the kind attention of the party and the government, China has made great advances in undertakings for the disabled since the Third Plenary Session of the 11th CPC Central Committee. Caring and helping handicapped people is beginning to become a general practice in society. The moving story of caring for mentally retarded children as described in "Venus" is a vivid reflection of the society's concern for the disabled today. Of course, handicapped people still face many difficulties in their rehabilitation, education, and everyday life, and they need more concern and help from the whole society. "The cardinal principle for government lies in

comforting the people, and the most important task in comforting the people is to discern their hardships." In showing concern for people's hardships, it is necessary to care and, in particular, to care for the disabled. This is a manifestation of the superiority of the socialist system, as well as a hallmark of human civilization and social progress. We should energetically develop the social practice of caring for mentally retarded children as shown in the film.

"Venus" is a movie that features retarded children playing the part of retarded children. It is not easy to successfully produce a movie this difficult in terms of both acting and filming. It is clear that Xie Jin, Hang Ying, and other comrades participating in the shooting of this movie have done a great deal of hard work and have thrown a great deal of energy into this project. We should encourage this spirit in art and literary circles. Encouraged by Comrade Deng Xiaoping's important talks during his tour to southern China, the prospect of China's reform, opening to the outside world, and economic construction is currently good and various undertakings are flourishing. Ideological and cultural fronts should keep pace with the times and earnestly transform the guidelines of Comrade Deng Xiaoping's talks into concrete action. Writers and artists should emancipate their minds, nestle themselves against the masses, promote reform, depict the features of our age, strive to create more good works for the people, and unite closely to create a new condition that lets a hundred literary and artistic flowers blossom in myriad colors.

Li Ruihuan, Li Tieying, Others Meet Olympians

OW1007095892 Beijing XINHUA in English
0939 GMT 10 Jul 92

[Text] Beijing, July 10 (XINHUA)—Li Ruihuan, member of the Standing Committee of the Political Bureau of the Chinese Communist Party, met here today with the Chinese sports delegation for the Barcelona Olympic Games.

Li hoped the Chinese athletes try their best at the forthcoming games and achieve good results in the competition.

China will send a 380-member delegation, including 251 athletes, for the games which open on July 25.

At the 24th olympics four years ago, China grabbed five gold medals.

Also present at today's meeting were state councilors Li Tieying and Chen Xitong, who is also president of the Beijing bidding committee for the 2000 Olympic Games.

NPC Official Inspects Shenyang City 9 Jul

SK1007133692 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 9 Jul 92

[Text] On 9 July Chen Muhua, vice chairwoman of the National People's Congress [NPC] Standing Committee

and chairwoman of the All-China Women's Federation, arrived in Shenyang to make inspection tours in the city. She visited the women's guild hall of Liaoning Province, where she was briefed by Liu Hairong, chairwoman of the provincial Women's Federation, on the work done by women's federations at all levels throughout the province in organizing women to work in the tertiary industry. She fully acknowledged the methods adopted by women for participating in the tertiary industry. She also visited the Mulan electronic company and the Mulan processing plant.

Antigovernment Slogans Posted in Guangdong, Fujian
HK1007030992 Hong Kong SOUTH CHINA MORNING POST in English 10 Jul 92 p 13

[Text] Mainland underground organisations posted anti-government slogans in over 10 cities in the southern provinces of Guangdong and Fujian, according to sources close to the underground democracy movement.

The slogans appeared between June 4 and July 2 to commemorate the June 4 massacre and to express anti-communist feelings in connection with the 61st anniversary of forming the Chinese Communist Party on July 1, 1921.

"Since it was dangerous to make a move before June 4, the underground organisations started actions afterwards, choosing to focus on the Communist Party's anniversary instead," the sources said.

Two of the slogans read: "June 4th is crying" and "July 1st (is) the day of suffering of the Chinese people".

The action was also aimed at drawing attention to the continuity of the underground movement, the source said.

'Opinions' on Undergraduate Social Practices

OW0507120892 Beijing XINHUA Domestic Service in Chinese 0720 GMT 3 Jul 92

["Opinions of the Propaganda Department of the CPC Central Committee, the State Education Commission, and the Central Committee of the Communist Youth League on Unfolding Extensive, Thoroughgoing, and Sustained Social Practice Activities Among Students of Institutes of Higher Learning"]

[Text] Beijing, 3 July (XINHUA)—To facilitate the sustained unfolding of extensive and thoroughgoing social practices among students of institutes of higher learning, it is necessary to further promote understanding, strengthen leadership, establish a system, and put all measures into practice. The following opinions are put forward in this connection:

1. Acquire a Full Understanding of the Great Significance of Social Practice Activities

After nearly a decade of development, the social practices of students from institutes of higher learning have been gradually incorporated into the education program and are receiving increasing attention from all quarters of society. Practice has proven that social practices are a powerful measure for implementing the policy of integrating education with production and vocation, as well as for strengthening the practical aspect of education under the new historical conditions, and are an effective way of pushing young students toward involving themselves with practices and with the masses of workers and farmers. Aside from giving the students practical training in various aspects, such as ideology, politics, and the ability to cope with practical work, the activities also play an important role in helping the students understand the national conditions; foster better relations with workers and farmers; strengthen their ties with society; heighten their consciousness toward reform, opening up to the outside world, and upholding the party's basic line; and pursue all-around development, particularly in their ideological and political quality. Therefore, from the strategic high plane of long-term adherence to the party's basic line of "one center and two basic points," of training socialist builders and successors to the socialist cause, and of creating a new force for reform and opening up to the outside world, it is necessary to make social practices an indispensable part of our socialist higher education, and to carry them out in an extensive, thoroughgoing, and sustained manner.

2. Rely on the Leadership of Local Party Committees and Governments at All Levels To Give Full Play to the Roles of Propaganda and Education Departments of Party Committees, Administrative Departments in Charge of Education, and Communist Youth League (CYL) Organizations at Various Levels in Social Practice Activities

Training socialist builders and successors to the socialist cause is a common responsibility of the entire society. Social practices of students from institutes of higher learning in particular need vigorous support from all of society. As the institutes are able to organize social practices of a relatively centralized nature for only a certain number of their students during vacation, most of the students have to take part in similar activities that are conveniently accessible to them during their home vacation. They all have to depend on the leadership of local party committees and governments at various levels to give full play to the roles of propaganda and education departments of party committees, administrative departments in charge of education, and CYL organizations at various levels, to ensure that social practices are carried out in an extensive, thoroughgoing, and sustained manner.

Party committees and governments of provinces, prefectures (cities), and counties (cities) should strengthen their leadership over social practice activities in areas under

their jurisdiction; should act in accordance with the unified requirements of the country and give due consideration to local realities, as well as the thinking of university students when organizing major social practices for local institutes of higher learning and similar activities for university students returning to their hometowns for vacation; and should play host to organized groups of university students on visits for social leading comrades giving their personal attention. Propaganda and education departments of party committees, administrative departments in charge of education, and CYL organizations at various levels should be responsible for organizing and coordinating university students' social practices activities in their areas under the unified leadership of the party committees and governments concerned.

Following the principle of promoting social practices and facilitating development in localities and enterprises, and after fully consulting with local authorities and enterprises for their concurrence, propaganda and education departments under party committees, education administrative departments, and communist youth league organizations in all provinces, autonomous regions, and municipalities directly under the central government's jurisdiction should, with the approval of their party committees and governments, designate a number of counties (cities) and large and medium-size enterprises as bases for social practices. In accordance with these principles, party committees and governments of all large and medium-size cities, and prefectures (cities) and counties (cities) which have a relatively large number of college students, should also designate a number of districts (counties), townships (towns), villages, enterprises, and institutions as bases where college students who are vacationing at home can be involved in social projects. Based on the principle of "benefiting other and themselves," schools of higher education should take advantage of the strengths of their specializations and disciplines and take the initiative to establish stable relations with local authorities, enterprises, and institutions, and should build mobile bases which integrate teaching, research, and social work.

Bases for college students' social work should have a relatively solid curricula and strong leading groups, and should have experienced staff workers who have high political awareness. Receiving college students and planning well-organized activities for them are the main assignments for bases of social practice. Local party committees and governments should improve their coordination and should properly work out activity plans according to the requirement of educating the students and according to the capacity of various bases. When a school of higher education plans to organize its students to work in a base not established by the school itself, it should contact the party committee and government of the location where the base is located and obtain their concurrence first. Organizers of national or interprovincial (regional and municipal) projects should first contact relevant departments of the local party committees and governments.

3. Social Practices Should Be Firmly Incorporated With Educational Programs in Schools of Higher Education

Schools of higher education should incorporate social practice with their educational programs. They should have both general and annual plans for students' social practice, and they should set different requirements for students of different grades. From now on, each undergraduate student should spend no fewer than a total of four weeks of their spare time taking part in social practices, the time for graduate students should be no shorter than two weeks, and the time for liberal arts students should be longer. Students participating in social practices should fill out a "Social Practices Registration Form" and provide information about the time of their participation, the projects they choose, and their achievements. Recipient units should also state their comments in the form. The form will become part of the student's file, and the information in it will serve as a basis for the school to assess the student's performance; whether he should receive a scholarship; whether he is qualified to be honored as a "three-good" student, an outstanding student cadre, or an outstanding CYL cadre or member; whether he should be recommended to study in graduate school; and where he will be assigned to work after graduation.

All schools of higher education should intensify their leadership over social practices. Party committee secretaries and college presidents should study relevant issues. In each college, a leading group in charge of social practices should be formed, and it should be headed by the college's leading authorities, with support from responsible comrades of departments in charge of student activities, CYL Committees, and the educational administration. This leading group should be responsible for formulating the school's general and specific plans for social practices, and should promptly study and deal with important issues to ensure the success of the plans. The performance of various schools of higher education in organizing and launching social practices will become a basis for evaluating their performance.

Teachers should give full play to their roles. In general, all schools should assign teachers to guide its organized social practices. The teachers' main assignment is to guide students with ideological and political work, and also to provide organizational guidance. Teachers who guide students in their social practices receive pay as they would in formulating curricula, and the assessment of their performance in both areas will serve as a basis for recommending their promotion.

4. Solving the Problem of Funds for Social Practice Activities Through Various Channels

According to the principle of hard work and thrift, funds for social practices may be obtained from the state, various localities, schools, receiving units, and students themselves.

Various schools of higher learning should include funds for social practices in their regular budget to insure

necessary expenditures for unfolding social practices. Students who return to their homes during vacation and who take part in social practices organized by local authorities should in general take care of their own food and lodging, while local governments should include expenditures for organizing such activities in their regular budget. Schools of higher learning, local governments, enterprises, and non-profit organizations should be encouraged to undertake social practices in accordance with the principle of "mutual benefit." Schools of higher learning should be encouraged to provide scientific, technological, and cultural services as well as to train people for non-degree purpose for localities, enterprises, and non-profit organizations; while local governments, enterprises, and non-profit organizations should provide students with facilities for their social practices. Meanwhile, enterprises should take the interests of everyone into consideration, and actively support and properly make arrangements for students' social practices on the condition that their production and operation will not be adversely influenced. With the exception of certain activities with special educational purposes, social practices should be conducted in the neighborhood and in a convenient manner.

5. Giving Meticulous Guidance in Unfolding Social Practices

It is essential to organize social practices according to the principle of "receiving education, improving ability, and making contributions;" it is also essential to place ideological and political education first. In line with social practices, it is essential to educate students on correctly handling relations between theory and practice as well as between an individual and the mass of people, and to help them foster correct viewpoints toward class, labor, masses, and dialectical materialism. It is necessary to design contents and main themes for social practices in light of the main points of ideological and political education, as well as the students' political consciousness. It is essential to give full play to the role of conducting education on revolutionary traditions by visiting revolutionary memorial halls and revolutionary memorial places, so as to whip up the students' patriotic enthusiasm and sense of national pride. We should let students visit more places and units that have made achievements through adherence to reform and opening up to the outside world, so as to enhance their confidence in the construction of socialist modernization. We should pay attention to guiding young students to understand the rural areas, and thus truly understand our national situation. Schools and specialized enterprises with good conditions should integrate the students' social practices with specialized on-the-job training, and should integrate students' social practices with the building of the "two civilizations" of local governments and enterprises. In this way, we shall be able to give full play to the students' specialized training, enable the students to do what they can in making contributions to society, and let students receive specific and profound ideological education as well as training in their respective fields in the course of taking part in social practices.

The form of social practices should suit the students' special characteristics. Experience over the past years has proven that social investigation; scientific, technological, and cultural services; participation in disaster relief work and epidemic prevention; and self-temperance through manual labor and on-the-job training are all forms readily accepted by the students. We should advocate those forms of social practices according to local conditions and constantly explore new forms.

It is essential to gradually standardize social practices. Prior to summer vacation each year, various schools of higher learning should educate students on the purpose and meaning of taking part in social practices; should set requirements; and, in particular, should pay attention to guiding the students to consciously, willingly, and actively take part in social practices. We should guide the students to modestly learn from the masses of people and correctly distinguish between the essentials and nonessentials of social phenomenon. In organizing social practices, schools should seriously select proper places, make careful plans, conscientiously implement those plans, and guard against formalism. Toward those students who return to their homes for vacation, schools should take the initiative in contacting local authorities and enterprises to inform them of the schools' requirements for social practices and to provide namelists of students who will take part in social practices after returning to their homes. At the beginning of the fall semester each year, schools should set a certain time for evaluating experiences in guiding students to take part in social practices, and should commend those students who have made achievements in social practices. The Propaganda Department of the CPC Central Committee, the State Education Commission, and the Central Committee of the Communist Youth League should periodically commend advanced provincial level units which have promoted students' social practices, and, in particular, advanced units which have shown concern for and properly accommodated the students' social practices, as well as advanced party and government departments of various localities.

Press circles should strengthen propaganda regarding social practices. In addition to making concentrated reports during the summer vacation period, it is necessary to constantly publicize some typical experiences of and individuals who take part in social practices. Theoretical articles on social practices should be published in order to create favorable opinions for social practices.

The above opinions may be used as references in unfolding students' social practices by various technical secondary schools.

Economic & Agricultural

Shanghai Metal Futures Market Standardizing
HK1107035392 Beijing CHINA DAILY in English
11 Jul 92 p 2

[By staff reporter Li Hong: "Metal Exchange Eyes the Futures"]

[Text] The Shanghai Metal Exchange, the country's first national raw materials market, is moving to become a standardized futures trader, following a six-week trial run.

Exchange of seven metals has steadily increased, as the per-day trade volume already has exceeded 100 million yuan (\$18.2 million), and now is closing on the 200 million yuan (\$36.4 million) mark, a statement from the Exchange said.

The initial cash exchange trade has been supplanted by a more robust long-term contracts exchange, which according to exports, means a forward market is fitting in Shanghai.

Some dealers have entrusted their brokers there to buy in metals first and sell them the same day, a typical form of futures trading.

Efforts are being made to ensure the operation is steered in the direction and in strict compliance with common world rules, which the Exchange designers have drawn out.

Minister of Materials and Equipment Liu Suinian has pinned hope on the future market that, by vigorously expanding trade volume, the Shanghai Metal Exchange will fine tune and lead China's price levels for raw materials.

William Grossman, vice president of the Chicago Board of Trade, even boasted Shanghai, one of the world's largest producing and consumer cities, had the potential to become the biggest futures market in the Far East, and the third biggest in the world, after Chicago and London.

He advocated the departments concerned in China curtail local applicants to erect new futures markets in the interest of Shanghai Metal Exchange's healthy development.

Since its launch on May 28 this year, the gross trade volume of seven metals, copper, lead, aluminium, zinc, tin, nickel and iron, have surpassed 800 million yuan (\$146 million), with copper and aluminium the two biggest contributors.

Contracts

In a single exchange day on Wednesday, nearly 150 million yuan worth of metals were exchanged. The market is open on Monday, Wednesday and Friday.

Of the 302 contracts signed in June, only 33 were cash contracts; 90 percent of them demand to be realized after July, some of which already have changed hands.

Futures are widely considered an effective way of hedging price fluctuations in the market.

More and more enterprises are calling for a futures market to avert excessive price risks as the country is pressing forward to a market system.

Shanghai Metal Exchange has a first batch of 43 member dealers, 27 are corporations engaged in materials trading, foreign trade and finance, and the remaining 16 are industrial enterprises. It owns 1,200 square metres of working area in the Shanghai Goods and Materials Trading Centre.

Contract Appraisal System Reduces Economic Losses *HK1007065192 Beijing CHINA DAILY in English 10 Jul 92 p 4*

[By Ma Zhiping: "Contract System Has Important Role in Building Business"]

[Text] China's industrial and commercial administrations are helping build business order through supervision of economic contracts, according to Bian Yaowu, a senior industrial and commercial administrator and deputy director of State Administration of Industry and Commerce.

Designated by the State Council as the national body to oversee and manage economic contracts, the State Administration for Industry and Commerce appraised more than 60 million business contracts worth 786.5 billion yuan (\$145.6 billion) since the Economic Contract Law was put into effect on July 1, 1982.

Contract appraisals have saved enterprises money by avoiding or greatly reducing the invalid contracts, said Bian.

More than 127,000 contracts, worth 30.5 billion yuan (\$5.6 billion), were found to be invalid up to 1991.

The State Administration for Industrial and Commerce also foiled 9.5 billion yuan (\$1.7 billion) of illegal profiteering cases carried out in the form of economic contracts.

China's 4,000 arbitration courts heard 2.12 million contract disputes and settled 20.8 billion yuan (\$3.8 billion) in disputes.

The economic contract system has been applied by most businesses including labour, trusts, futures trade, tourism, and auctions, and the amount of contracts signed reached 800 million last year, almost double that of 1983.

The law, aimed at protecting the legitimate rights and interests of the parties concerned and improving economic performance, has played an important role in helping turn China's highly planned economic system into a market-oriented system, according to Yang Jingyu, head of the legal office under the State Council.

Representatives from large enterprises such as the Capital Iron and Steel Complex and the Beijing Yanahan Petroleum and Chemical Industry Company said at a meeting early this month to mark 10 years of the law,

that the economic contract law has advanced management of enterprises, promoted economic efficiency and supported enterprises entering domestic and international markets.

Xiamen Special Economic Zone Trading Company, which was only a small shop eight years ago and now is one of the country's top 500 foreign trade enterprises, has gained considerable economic benefits and social recognition by fully carrying out its contracts.

But Yang called for improvements there, too, as one-third of the contracts, about 200 million, failed to be implemented each year.

Administrative interference and regional and departmental blockades were blamed for the low implementation rate of economic contracts, which in turn, caused "debt fraud" between enterprises.

He said preparations are being made to update the present economic contract law, part of which has been found unsuitable to the new economic development situation in China.

It's important to make amendments to the law and provide legal guarantees to the reform of readjusting management mechanism of enterprises and build an integrated Chinese market, he added.

China has worked out a number of laws, including the economic contract law, trademark law, patent law, foreign trade economic contract law, technology contract law and copyright law to help promote the country's economic construction.

Seminar on Yangtze Region Nets Investment Capital

*OW0607160992 Beijing XINHUA in English
1445 GMT 6 Jul 92*

[Text] Hong Kong, July 6 (XINHUA)—A three-day business seminar on investment in mid and downstream Yangtze area, which ended here recently, attracted an overseas investment of more than five billion H.K. [Hong Kong] dollars (6.41 billion U.S. dollars) for the Chinese Mainland.

Announcing this at a news press here yesterday, Cao Huicong, chief executive of the Hong Kong Chinese Enterprises Association, said the overseas investment will come from Indonesia, Japan, the United States, Italy, Canada, and Venezuela as well as Hong Kong, Macao and Taiwan according to 153 contracts, agreements and intention letters signed at the business seminar.

Jointly organized by the Hong Kong Chinese Enterprises Association, the Federation of Hong Kong Industries and the Hong Kong Foundation, the business seminar, which attracted more than 750 overseas investors, was attended by economic and trade officials from Jiangsu, Zhejiang, Anhui, Jiangxi, Hubei, Hunan Provinces and Shanghai as well as Ningbo city of Zhejiang and Wuhan city of Hubei.

Cao said that the Chinese participants briefed the overseas investors on their local "hard" and "soft" investment conditions, natural resources and relevant open policies.

Cao said that the investment covered a wide range of fields including chemicals, electronics, machinery, power, iron and steel making, light and dyeing industries, food processing, commerce and property.

Shanghai ranked first among the cities and provinces in attracting overseas investment at the seminar. It signed three property contracts worth 800 million H.K. dollars (1.02 million U.S. dollars) with Hong Kong firms and a 170 million H.K. dollar (21 million U.S. dollars) contract with an American firm for making cans.

Weekly Magazine on Securities Data in Circulation

*OW0607141592 Beijing XINHUA in English
1400 GMT 6 Jul 92*

[Text] Beijing, July 6 (XINHUA)—"SECURITIES MARKET", a weekly magazine covering the operation of the Chinese securities market, became available to millions of investors as of yesterday, it was announced here today.

The weekly, published by the China Securities Market Research Center, will report government policies regarding the management of the securities market, and keep investors informed of the latest developments in the domestic and overseas securities markets. It also offers data and analyses of stock and bond trading at the two stock exchanges—in Shenzhen and Shanghai, respectively. It will also inform the public about the operations and performance of the companies listed on the two bourses.

So far, China has issued a total of 270 billion yuan-worth of stocks and bonds. Last year the transaction volume of securities amounted to 46 billion yuan-worth.

Now, about 40 kinds of stocks worth over 60 billion yuan have been listed in the two bourses, attracting about one million investors.

Northeastern, Inner Mongolia Trade Fair Closes

*OW1007132292 Beijing XINHUA in English
1302 GMT 10 Jul 92*

[Text] Dalian, July 10 (XINHUA)—The Sixth Northeastern China and Inner Mongolia Export Commodities Fair closed here today.

The business volume reached 580 million U.S. dollars-worth. Eighty-two contracts for economic and technological cooperation projects were signed during the 10-day fair, involving a total of 240 million U.S. dollars.

The transaction volume of import commodities came to 9.87 million yuan-worth.

More than 2,500 businessmen from Hong Kong, Macao, Taiwan, Japan, the United States and 40 other countries and regions attended the fair.

Rail Transportation Hits Record, Despite Floods

*OW1107151192 Beijing XINHUA in English
1256 GMT 11 Jul 92*

[Text] Beijing, July 11 (XINHUA)—China's railway transportation hit a record high this June, despite serious floods which have swept through some southern provinces, causing suspension of some rail services, according to the Ministry of Railways.

Official statistics show that China's railways transported 75,550 goods wagons daily in June—1,750 more than in the same period last year, which was also a record.

In June this year 15 of China's major railway lines were cut a total of 49 times, or for 550 hours. These included the lines from Sichuan to Guizhou, from Guiyang to Kunming, from Chengdu to Chongqing, from Lanzhou to Urumqi and from Baoji to Chengdu.

In June China's railways carried 2.51 million passengers, 188,000 more than in the same period of last year and an increase of 8.1 percent.

Oil Output Meets 6-Month Quota; New Discoveries

*HK0807053492 Beijing CHINA DAILY in English
8 Jul 92 p 2*

[By staff reporter Yuan Zhou: "Oil Output Rises; New Fields Found"]

[Text] China's oil industry fulfilled its State production quota in the first six months of this year while making important new discoveries.

According to the China National Petroleum Corporation, which holds the monopoly over China's oil and natural gas production, crude oil output reached 68.75 million tons during the January-June period, accounting for half of this year's quota.

Meanwhile, the corporation's output of natural gas in the first six months was 7.5 billion cubic metres, which is just over half of this year's target.

The corporation said, though, the oil industry had met difficulty in achieving a stable oil output from its aging oilfields. And efforts have been intensified to prevent a fall in production.

In the industry's resolve to produce more oil, 432 new wells have gone into operation since the beginning of this year.

Though the new oil discoveries were said to have been made in "main fields," the company did not elaborate on exact locations.

As the domestic demand for oil grows, China has been trying to ensure a stable oil supply and develop new oilfields.

On Sunday, the building of the first long-distance oil pipeline was completed in the Tarim Basin of the Xinjiang Uygur Autonomous Region, marking a new stage in the utilization of some of the richest oil reserves in western China.

Oil industrialists have pinned China's oil production hopes for 1992-95 on the use of reserves in the Tarim Basin, which has become the country's most promising oilfield.

They believe that reserves in western China will become the main source of oil and natural gas in coming years.

Large oilfields in China were first identified in the North and Northeast in the 1950s, and the petroleum industry has been concentrated there ever since.

Company officials said that prospecting in the main three basins in Xinjiang last year was promising; verified reserves surpassed the government's expectations.

Latest reports indicate that oil reserves in Turpan-Hami Basin may stretch far to the Northeast and Southwest.

As a result of exploration in the Junggar Basin, an area already believed to be rich with oil and gas, has been expanded to 4,000 square kilometres.

Reserves also have been found in the eastern part of the country, the company officials said.

During the next four years, the company officials said, China is to develop about 10 offshore oil and gas fields.

One gas field will be put into production this year and another three oil fields will go into operation next year.

Nearly 140 million tons of crude oil was produced in 1991 of which 137.4 million tons were from wells on shore.

Some 131 million tons of crude oil were provided to other industries in commodity form. That means 95 percent of the company's output was sold, which is a higher percentage than before.

In addition, tens of millions of tons were exported, earning the country about \$3.2 billion last year.

Output of natural gas from onshore fields stood at 14.9 billion cubic metres.

Oil Firm Ready for Bids on East China Sea

*OW1107095992 Beijing XINHUA in English
0724 GMT 11 Jul 92*

[Text] Shanghai, July 11 (XINHUA)—The East Offshore Oil Corporation has prepared two areas in the East China Sea for bidding.

Ma Qifu, general manager of the Shanghai-based East Offshore Oil Corporation, told XINHUA reporters that the two areas prepared for bidding this time are in the northern and southern offshore areas of the East China Sea, with their area totalling 728,000 sq km. Experts believe that the two areas are virgin land for oil prospecting.

For instance, the Pinghu Oil and Gas Field, which has been verified with rich deposits of oil and gas, is located between the two areas. The large-scale development of the oil and gas field will provide Shanghai's Pudong New Area and citizens in the city with plenty of oil and gas supplies.

According to the general manager, the corporation has so far introduced 73 million U.S. dollars of overseas investment since it was first founded nine years ago. By the end of last year, the company had completed the seismic prospecting of over 44,000 km of land independently or in cooperation with others and had sunk 10 wells.

CITIC Plans Bonds in Japan, Shenzhen Shares

HK1207051192 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 12-18 Jul 92 p 1

[By Ren Kan: "Japan Bonds Could Satisfy Yen for Capital"]

[Text] Emboldened by two successful deals in Europe earlier this year, the China International Trust and Investment Corporation (Citic) may go hunting in Japan for more capital to support the country's economic development.

Hong Yuncheng, president of the Citic Industrial Bank, said Citic, the country's leading investment arm, will continue issuing bonds this year in foreign capital markets and also seek foreign syndicated loans.

The corporation, one of China's major fund-raising entities looking outside the country, is also considering setting up a joint venture bank and an investment fund.

In addition, Citic may begin allowing its subsidiaries in other Chinese cities to offer shares in themselves for public trading.

"With reform expanding across the country, organizations will adopt various ways to raise foreign capital," Hong said.

He said Citic will probably float bonds on the Japanese securities market in the second half of this year.

It would be the first time Citic has issued bonds in Japan this year.

Last year, the corporation issued 15 billion yen (\$114 million) of floating-rate bonds in Japan.

Previously, Japan allowed only fixed-rate bonds to be issued.

Hong said Citic is negotiating with some European banks about organizing syndicated loans to China.

And Citic also is talking with a European financial institution about setting up a "development fund" that acts like a limited partnership.

The arrangement would work like this: Foreign investors join the foundation by offering cash up front. The foundation management is responsible for finding projects in which to invest. Then, any profits earned from the projects are shared by all the foundation members.

"Negotiations for the foundation have been going smoothly," Hong said, "It is expected to be set up in the near future."

Closer ties with European financial institutions followed Citic's successful return to the European capital market in April.

On April 2, Citic signed a deal with a bank syndicate in Frankfurt, Germany, for a \$75 million loan.

On April 15, the corporation signed in London to float \$153 million worth of bonds in Europe.

Hong said some foreign financial institutions are angling to set up joint venture banks with Citic.

While striving to play a more active role in the international capital market, Citic is also contemplating bold moves to change itself.

Hong said the corporation is considering issuing shares for some of its subsidiaries.

Such an effort could start with Citic's Shenzhen subsidiary, which has already applied to adopt a share-holding system and is waiting for final approval.

Daily Proposes Ways To Link Science, Economy

HK1107040292 Beijing CHINA DAILY in English 11 Jul 92 p 4

[From the "Opinion" page: "Application of Science Vital to China's Economy"]

[Text] The application of scientific achievements demands that relevant measures be taken in the education, administrative and legislative systems, according to articles in Science and Technology Daily.

The role of scientific results in improving industrial and agricultural products has become significant as never before.

The annual growth of grain output per hectare averaged 36 kilograms worldwide from 1950 to the end of the 1980s, while in the first half of the century this figure was only 1.5 kilograms.

The increased use of scientific and technological results made the difference.

However, only 30 percent of scientific and technological results have been put into production in China, 40 percentage points lower than that of developed countries.

Though China upholds science and technology as the chief engine of production, a system has yet to be established to turn scientific achievements into economic returns.

The newspaper suggested three measures be taken to help form such a system.

The first move should be made in China's institutions of higher learning.

Under the present education system, China's 2.1 million students in more than 1,000 colleges do not pay much attention to the practical demands from production.

As a result, they usually have a hard time adjusting themselves to economic construction after graduation.

The article said students should be given more opportunities to take part in social practices so they may be better informed of the social demands and become less pedantic, and more useful.

The second move should be dedicated to promoting awareness of copyright protection.

It is not rare for some enterprises to refuse to pay research institutes for using scientific achievements.

On one occasion, the Automation Institute of the Chinese Academy of Sciences agreed to transfer a new technology to a factory on the condition the institute be paid if the technological renovation succeeds.

When the project became profitable, the factory refused to abide by the contract; and the institute made no more efforts to sue the factory, for they could not afford the time, said the institute's director.

Some enterprises dare not conduct co-operative projects with research centres for fear of the possible risks. At present, there is no law stipulating how to share the costs when cooperative efforts fail.

The newspaper recommended the practice of authorities in Liaoning Province, who have allocated 60 million yuan (\$11 million) starting this year to fund promising co-operative projects that involve great risks.

The provincial government will buy scientific achievements from institutes and then transfer them to enterprises. Those enterprises that do benefit from the projects should turn in a specified sum of money to the government.

Another administrative measure, according to the newspaper, is to set up a government department to coordinate the co-operative efforts between institutes and enterprises.

The newspaper reported that to serve this purpose, a special organization has recently been formed by officials from the Chinese Academy of Sciences, the State Education Commission and the Economic and Trade Office under the State Council.

The newspaper also suggested experimental bases be built where scientific achievements should first be on put trial production before being shifted into mass production.

Such bases should effectively reduce the possible dangers in applying scientific achievements.

The government also can resolve to administrative measures to promote the application of advanced technologies, the Shanghai-based Wenhui Daily said.

The State Environmental Protection Bureau recently issued certain documents ordering 11 new research findings to be used in the country's anti-pollution projects.

The newspaper said the 11 findings were selected from more than 700 scientific results and will bring about an annual economic return of 1.8 billion yuan (\$327.3 million) if effectively used.

Ministry Says Summer Grain Output To Top 1990

OW1107093192 Beijing XINHUA in English
0922 GMT 11 Jul 92

[Text] Beijing, July 11 (XINHUA)—China's total summer grain output this year might surpass that of the record year of 1990 despite drought in the north and floods in the south, according to the Ministry of Agriculture.

The ministry made the estimate according to the latest information provided by local agricultural departments.

Originally, the ministry expected that the total summer grain output might reach 101 billion kg, 1.95 billion kg more than that of last year and close to that of 1990.

According to the ministry, this year, the application of agricultural technology, including hybrid maize, plastic sheeting, intercropping and standardized cultivation, has been expanded on more farmland.

Meanwhile, statistics from 26 provinces, autonomous regions and municipalities as well as seven cities with provincial status in state planning show that the use of chemical fertilizer per unit increased by 1.3 percent and use of organic fertilizer per unit increased by 7.5 percent.

Diminishing Arable Land Seen as 'Major Concern'

HK1007102592 Hong Kong ZHONGGUO TONGXUN
SHE in English 1007 GMT 10 Jul 92

[Text] Hong Kong, July 10 (CNS)—An article titled "Arable Land—China's Second Major Worry" in the latest issue of China's Digest published today in Hong Kong points out that the rapid shrinking of cultivated land has become a major concern of China, second only to population.

According to statistics, China supports 22 percent of the world population with 7 percent of the world's cultivated land, yet China's arable land has been diminishing at an annual average rate of 8.17 million mu (15 mu equals 1 ha) in the past four decades. At this rate of loss, there will be no more cultivated land in China by the year 2162, the article says.

There are now two ways to increase grain production in China, namely, by expanding the area of land under cultivation and by raising the production per unit area. Due to the shortage of resources for arable land, China has only one way to increase grain production and that is by raising production per unit area starting from the 21st century, according to a report by the National Condition Study Group under the Chinese Academy of Sciences, the article reports.

According to the article, the main causes of the rapid shrinking of arable land in China are the following: first, the irrational construction of buildings, especially residential buildings; second, the abandoning of cultivated land; third, construction of tombs. According to statistics from the Ministry of Civil Affairs, about seven million people die in China every year in recent years and of these, 5.2 million were buried. Calculated on a general standard, land burial absorbed 1.6 million mu of land a year.

The State Council has strengthened the administration of land since 1986, effecting noticeable results. The decrease and net decrease of cultivated land in the past five years dropped 32 million mu and 8 million mu respectively compared with the figures during the Sixth Five-Year Plan period, the article reports.

6 Billion Yuan Dedicated To Raise Farm Yields

HK0807034792 Beijing CHINA DAILY in English
8 Jul 92 p 1

[By staff reporter Wang Yonghong: "Colossal Cash Drive To Upgrade Farmlands"]

[Text] China is poised to inject 6 billion yuan (about \$1.1 billion) per year on a series of comprehensive agricultural development projects in a bid to improve the country's farmland yields.

With this investment, China expects to achieve a yearly increase of about 14 billion kilograms, which would represent a 3.5 percent increase over the total grain output of 1991, according to an official with the State Office for Comprehensive Development of Agriculture (SOCDA).

Among the investment, 1.5 billion yuan (\$277 million) will be granted by the central government with the rest coming from local governments, said Wang Xinjian, deputy division chief of SOCDA.

It is expected 95 million mu (6.3 million hectare) of low or medium-yielding land will be transformed into high-yielding areas and 8 million mu of wasteland will be reclaimed with the investment during the Eighth Five-Year Plan period (1991-95), he said.

After the implementation of the projects, an average per-mu grain output increase by about 100-300 kilograms is expected. The reclaimed wasteland is expected to yield about 250 kilograms of grain per mu, according to statistics from the first phase of the State Council-approved development programme, which began in 1988.

Ten comprehensive development projects, comprising the first phase of the development programme, were examined last month by the government. One project failed the examination because it didn't meet the standards set by the SOCDA.

In previous years, Chinese central and local governments spent a large sum of money on agricultural development but largely in vain.

Since 1988, the central government has concentrated investment on selected agricultural areas and projects in a bid to tackle in a comprehensive way problems concerning mountains, rivers, farmland, forests and roads to bring about overall economic, social and ecological benefits to local areas.

The thrust of the projects is the attempt to increase production of grain, cotton, edible oil, meat and sugar, while ensuring the all-round, co-ordinated development of farming, forestry, animal husbandry, side-line production and fishery.

After a feasibility study, nine provinces and one autonomous region were chosen for comprehensive development, including Sanjiang Plain, in Helongjiang Province, the Huang-huai-hai Plain, which covers the provinces of Hebei, Henan, Shandong, Anhui and Jiangsu, a sugar material production base in Jiangxi Province, a cotton and a sugar production base in Xinjiang autonomous region.

A total of 7.5 billion yuan (\$1.4 billion) was invested over three years in the first 11 projects which have transformed about 70 million mu low or medium-yielding land.

The projects have secured an increase of 11.5 billion kilograms of grain, 147 thousand kilograms of cotton, 585 thousand tons of edible oil, 650 thousand tons of meat and 4.5 million tons of sugars in these lands by the end of June of 1991, according to the latest statistics released by the SOCDA.

Many local governments have followed suit and have established their own project areas.

Now the State-set project areas extended to over 900 counties, towns and 300 or so State farms in 29 provinces, municipalities, autonomous regions.

About 14 billion kilograms of grain, cotton, edible oil and other provisions are expected to increase after the completion of the projects in these areas, according to Wang.

China has about 1 billion mu of low or medium-yielding land, 500 million mu of wasteland and over 5 billion mu of grassland awaiting comprehensive development.

"Thanks to these projects, these areas not only suffered little damage but have returned to normal very quickly after the disastrous flood hit China last year," said Wang.

Farmers' incomes have also increased greatly. In the project area of Xinjiang, a farmer earned a net yearly income of 1,700 yuan (about \$315) in 1991, doubled his pre-development pay packet.

Agriculture Bank To Give Loans to 6 State Firms

OW1207222992 Beijing XINHUA Domestic Service
in Chinese 0950 GMT 10 Jul 92

[By reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 10 July (XINHUA)—The Agricultural Bank of China and its branches in various provinces, municipalities, prefectures and cities will extend 216 million yuan of loans to six large state-operated agricultural and reclamation enterprises. A ceremony to sign the loan agreements took place in Beijing today. Besides demonstrating that these banks are taking concrete measures to revitalize large and medium-size state enterprises, the loans also show that agricultural banks have taken an important step in accelerating their reforms and switching the functions of various levels of management.

The six large agricultural and reclamation enterprises receiving the loans are the Beijing Agricultural and Reclamation Commercial Company, the Hunan State-Operated Qianlianghu Farm, the Jiangxi Communist Youth Reclamation Farm, the Jiangsu Qingjiang Synthetic Fiber Plant, the Zhejiang Qianjiang Brewery, and the Guangzhou Baiyunshan Enterprise Group. These six enterprises share the same characteristics: Their operations are sizable, their foreign exchange earnings capacity is great, their economic returns are high, the cycle of their capital turnover is short, they have a significant influence on society, and agricultural bank branches in these enterprises do not have enough money to finance their normal production and operation needs.

Ever since the adoption of the reform and opening up policy, the Agricultural Bank of China has carried out a series of measures to readjust its credit policy and management in order to accommodate the development of state-operated economies. These readjustments include providing state-operated agricultural enterprises the loans they need to develop agricultural production, forestry projects, animal husbandry, sideline production, and fisheries, instead of simply agricultural production as before; and to prompt them to integrate agriculture,

industry and commerce and form enterprise groups through integrating agricultural and industrial production and commercial businesses. Moreover, instead of simply providing enterprises by circulating capital, the Agricultural Bank of China also provides enterprises with the medium and long-term loans they need to develop resources and upgrade their technology. As for services, the bank, in addition to providing credit services alone, also provides information, consultation service, and other services such as selling bonds and securities. By the end of 1991, the Agricultural Bank of China had extended 32.45 billion yuan in loans to state-operated agricultural enterprises, and the amounts of loans extended to agricultural reclamation enterprises had accounted for 70 percent of these loans. These loans have effectively facilitated the development of state-operated agricultural economies.

The Agricultural Bank of China will also raise 200 million yuan this year to support the nation's 29 large and medium-size state-operated agricultural enterprises.

Agricultural Reform in Zhu Jiang Delta Viewed

HK1007140692 Beijing RENMIN RIBAO in Chinese
26 Jun 92 p 2

[Article by Survey Team of Research Department of State Council: "New Starting Point for Agricultural Development—Investigation Into High-Yielding, Fine-Quality, and High-Efficiency Agriculture in Zhu Jiang Delta"]

[Text] Entering New Stage of Development

Since reform and opening up, Guangdong Province's Zhu Jiang Delta has experienced rapid economic development, people have seen their standard of living greatly improved, and the market in this region and in the country as well has realized a higher demand for quality farm products. The Zhu Jiang Delta is next to the markets in Hong Kong and Macao, and agricultural development for earning foreign exchange requires a large quantity of fresh and quality farm products. Stimulated by these two kinds of pulling forces, Zhu Jiang Delta's agriculture has entered the high-yielding, fine-quality, and high-efficiency stage, and attained an unprecedented historical turn for the better. The main signs are:

—Mulberry for raising silkworms, cassava, waterweeds, jute plants, and similar low-value and low-efficiency production projects have been basically eradicated or have shifted to other places. The Zhu Jiang Delta was originally one of the four major mulberry production zones in our country, and in 1978 its output of silkworm cocoons was 430,000 dan [one dan equals 50 kg], accounting for 90 percent of Guangdong's output of silkworm cocoons, but the mulberry orchards have all disappeared now.

—Production of sugarcane, grain, and some other projects with low returns has decreased. For a long

time, the Zhu Jiang Delta was one of the most important cane sugar production bases in our country, but since the 1980's, and especially since 1985, the area under sugarcane has decreased. The area under grain has also witnessed a decreasing trend. In 1980, the total area under paddy rice in Dongguan, Zhuhai, Foshan, and Panyu was 4,649,000 mu, and in 1991 it had dropped to 3,342,000 mu, a 28.1 percent decrease.

—Fish, fruit, vegetables, flowers, and poultry have greatly increased. The area under fruit in Dongguan City, Zhongshan City, Foshan City, and Panyu County has increased from 164,000 mu in the late 1970's to the present 960,000 mu, an increase of 4.8 times.

—The proportion of quality products has increased greatly. Quality rice, perch, mandarin fish [gui hua yu 2710 5363 7625], eels, fine vegetables, all-season vegetables, mango, litchi, longan, quality bananas, mandarin oranges, oranges, and other rare fruits have increased rapidly; quality poultry has been adopted by the whole poultry trade, and the development of lean-meat pigs has been very rapid.

The development of high-yielding, fine-quality, and high-efficiency agriculture is objectively needed by overall economic development. Conversely, it has a profound impact on the development of agriculture and the whole economy. 1) Although the growth speed was not low, the products met market needs and therefore the problem of unsalability did not exist. 2) The growth greatly eased the conflict of comparatively low benefit for agriculture, improved economic returns, and increased peasants' income. Dongguan City began practicing the contract responsibility system on a household basis with remuneration linked to output in 1978, and by 1985, the output value per mu of farmland had increased from 146 yuan to 500 yuan, while per capita net annual income increased from 130 yuan to 746 yuan, scaling new heights; beginning in 1985 they followed the road of high-yielding, fine-quality, and high-efficiency agriculture, and by 1991, the output value per mu of farmland had increased to 1,100 yuan, while per capita net annual income increased to 1,459 yuan, scaling new heights again. 3) The improvement of returns on agricultural production brought internal vigor to agricultural development. Although nonagricultural production has developed rapidly in the Zhu Jiang Delta since reform and opening, exploration and utilization of idle land, waters, and hills developed quickly and agriculture did not shrink, but maintained a good growth trend. 4) Farm products have enhanced the ability to compete in the international market, and the earning of foreign exchange through export has increased.

"Lifting Restrictions" Is the Necessary Road

The practice of agricultural development in the Zhu Jiang Delta shows that the road which must be followed

to attaining high-yielding, fine-quality, and high-efficiency agriculture is to lift restrictions on operation and push farm products toward the market.

In 1982, after Guangdong took the lead in lifting restrictions on the aquatic products market, the production of aquatic products there developed rapidly, and not only have the husbandry area and output increased rapidly, quality has also improved quickly. After lifting the restrictions on the aquatic products market, Guangdong Province lifted restrictions on the pork and egg markets and the vegetable market. Thereafter, the outputs of these products have increased, their quality has improved, and they have developed in the high-yielding, fine-quality, and high-efficiency direction. For example, in Guangzhou City, comparing 1990 with 1984, the supply of vegetables had increased 100 percent; poultry, 150 percent; pork, 40 percent; eggs, 70 percent; milk, 50 percent; and fruit, 200 percent. Not only had the quantities of various kinds of products increased, but quality had also improved markedly. For example, the edible rate of vegetables in the market had been upgraded from 40-50 percent to 90 percent, and the ratio of fine vegetables to coarse vegetables had changed from 2:8 to 8:2.

Whenever a farm or sideline product has the restrictions on it lifted, its quality will improve according to the development needs of the commodity market, and the improvement itself will bring about a great increase in returns on production. The products which are tightly controlled and cannot remove the restrictions on them will find it more difficult to improve quality and attain high efficiency.

This year, with the State Council's approval, Guangdong Province has abolished grain purchase and thoroughly lifted restrictions on the grain market. This decision has generally met with a warm welcome. Peasants say this is the third round of liberation of productive forces after land reform and the contract responsibility system on a household basis. One after another peasants have given up cultivation of low-quality rice and opted for cultivation of fine-quality rice. This year, the area under fine-quality paddy rice in the early season increased by more than 100 percent. According to the estimates of the agricultural departments in some cities and counties, the proportion of fine-quality varieties of late season rice this year will greatly increase.

Promotion of Fine Varieties Is the Crucial Link

The bold measure of lifting restrictions on the operation of various kinds of agricultural and sideline products in the Zhu Jiang Delta has enabled high-yielding and fine-quality products to have better returns, hence forming a basic motive force for spontaneous pursuit of fine varieties among peasants, stirring up the second round of a technology craze in the rural areas after the practice of the contract responsibility system on a household basis with remuneration linked to output, and greatly promoting the introduction and cultivation of fine varieties and popularization of advanced technology. Since 1985,

Foshan City has imported 206 fine varieties of poultry, aquatic products, fruits, vegetables, flowers, and paddy rice from inside and outside the country, enabling the city to greatly improve the quality of its farm products, chickens, ducks, and geese. Many fine seedlings have been cultivated and quickly purchased by peasants.

Concerning the concrete methods for importing and cultivating fine varieties and promoting new technology, they boldly broke through the traditional system of agricultural science and technology, established companies for importing fine varieties and bases for cultivating, demonstrating, and publicizing fine varieties, and promoted the use of new varieties and new technology by way of enterprise operation. By so doing, they aroused enthusiasm among agricultural science departments, rural collective economic organizations, enterprises of various kinds in society, and individual peasant households, enabling agricultural science and technology to spread rapidly. Zhuhai City used farms (agricultural farms and demonstration farms) to guide institutes (research institutes) and used institutes to run farms, integrating the operation of bases and demonstration farms with research and promotion of agricultural science; enabling the development of agricultural science and technology to have vigor through the operation of bases and demonstration farms.

Improve Standard of Collectivized Service

The development of high-yielding, fine-quality, and high-efficiency agriculture must not only aim at securing a certain number of fine-quality and high-efficiency commodities suited to market needs, but also aim at standardizing specifications of products, matching processing with the needs of consumers, and speeding up circulation and turnover. Therefore, in the course of developing high-yielding, fine-quality, and high-efficiency agriculture, the Zhu Jiang Delta has combined various links such as production, processing, and sales, and established and developed a multiform operation system unifying trade, industry, and agriculture.

The first form means organizations unifying trade, industry, and agriculture which are linked with the change in duty and function of government departments and which are led by specialized companies. This form is to separate some administrative (business) organizations in cities and counties from administration, and form companies which are specialized in agriculture and which operate fine-quality and high-efficiency demonstration bases on the one hand, and provide service to the broad masses of peasant households on the other, combining production, supply, and sales. For example, Shunde County has combined agriculture, animal husbandry, and aquatic products bureaus into one, established an agricultural affairs committee, and retained 55 persons, who shoulder the administrative duties of the original three bureaus, while more than 200 persons have been freed to work in the development companies specializing in agriculture, animal husbandry, aquatic products, and other economic entities, producing an annual

output value of 400 million yuan, and becoming an important force in developing agriculture and rural economy. The second form means organizations unifying trade, industry, and agriculture which are led by various kinds of state-run and collective farm products processing enterprises. The third form means organizations unifying trade, industry, and agriculture which are led by individual peasant households or joint entities of peasants. For example, Ye Qinhai, a peasant in Dongguan City, has engaged in purchasing and transporting bananas and research on banana production technology, and runs a factory which produces test-tube banana seedlings, which he supplies to peasants, who also receive from him technological guidance for planting and sell him bananas; his operation scope not only includes a large number of peasant households in Dongguan City, but also extends to other cities and counties.

The practice in the Zhu Jiang Delta proves that to develop high-yielding, fine-quality, high-efficiency, modernized, and commercialized agriculture, it is necessary to follow a road which combines trade, industry, and agriculture. To combine trade, industry, and agriculture, the crux is to properly establish those who can lead. In this area, we must break the boundaries between departments, regions, and ownership systems, and fully arouse enthusiasm in various quarters; be it a government department, a company, an enterprise, or a peasant, whoever has the ability and conditions to take the lead must be allowed to take the lead, and be supported in doing so. We must encourage localities to consider local conditions for establishing various styles, and we must not have a fixed model. We must uphold the principles which are helpful to production and economic development.

Develop Regional Division of Labor and a Unified Market

The development of high-yielding, fine-quality, and high-efficiency agriculture will enable various localities to fully develop their strong points and their superior products; those products which are not suited to market needs might decrease, and those products which are suited to market needs will greatly increase. This requires the building and development of a reasonable division of labor between regions.

In the course of developing high-yielding, fine-quality, and high-efficiency agriculture in the Zhu Jiang Delta, silkworm mulberry has been eliminated, sugar cane and grain have had their outputs decreased, while the production of fruits, aquatic products, vegetables, and flowers which are suited to the subtropical climate has increased greatly. Although silkworm mulberry has been eliminated in the Zhu Jiang Delta, production of silkworm mulberry in Guangdong has not decreased, because it has shifted to north, central, and west Guangdong, where silkworm mulberry has already become an important path to affluence among peasants. Since grain output in the Zhu Jiang Delta has decreased, a large quantity of rice is now coming from Hunan and Jiangxi,

and this will stimulate the development of fine-quality grain in Hunan and Jiangxi.

So long as we can break the mutual barriers between localities and build and develop a nationwide unified big market, the shortages and oversupplies of farm and sideline products among regions can be adjusted. For example, Shenzhen has to import 150,000 to 200,000 tonnes of rice from other localities every year, and before 1988 it mainly relied on state planning to transfer grain from the grain-producing provinces, but in times of shortage of grain, the grain-producing provinces were reluctant to transfer grain out, and Shenzhen would find it difficult to transfer grain in. In the past two years, after the restrictions on grain were lifted, grain from other localities flowed into Shenzhen, and many grain-producing provinces set up relevant grain trade companies in Shenzhen in order to occupy the grain market there, while the grain going to

Shenzhen must be of fine quality in order to be able to occupy the market.

The crux is to lift restrictions on the market and on prices. Lifting restrictions not only can solve the problem of shortage of grain in some regions, but can explore markets for the main grain-producing regions, promote development of fine-quality grain, increase incomes among peasants who grow grain, and thus increase grain output on a new basis. In the past, people often worried about a problem, namely, what should we do if there is a grain shortage after the lifting of restrictions? In fact, so long as the state can strengthen support for the main commodity grain production zones, and so long as the central and local governments can maintain a certain quantity of reserve grain, actively develop the market system, fully utilize the power of initiative concerning import and export of grain, and establish a strong and effective macroeconomic regulatory mechanism, we can maintain a stable increase in production and supply of grain, as well as maintaining a stable market.

East Region

Jiangsu Holds Conference of Party Delegates

OW1107040092 Nanjing XINHUA RIBAO
in Chinese 24 Jun 92 p 1

["Provincial Conference of Party Delegates Ends Successfully; Accelerate Reform, Opening to the Outside World, and Economic Development; Greet the 14th Party Congress With Outstanding Achievements; the Conference Elects Our Province's Delegates To Attend the 14th Party Congress; Shen Daren Delivers an Important Speech on Behalf of the Provincial Party Committee"—XINHUA RIBAO headline]

[Text] After completing its agenda, the Jiangsu provincial conference of CPC delegates ended successfully amid the strains of the national anthem on the afternoon of 22 June.

A plenary session was held on the morning of 22 June to elect Jiangsu's delegates to the 14th party congress. Sun Jiazheng, deputy secretary of the provincial party committee, presided over the session. In a democratic and solemn atmosphere, 69 delegates were elected from among many candidates to attend the 14th party congress. The party's democratic centralism was strictly implemented, and intra-party democracy was observed at the session. The namelist of candidates was carefully discussed before the election took place. The delegates attending the conference exercised their democratic rights with a high sense of political responsibility to the party and people.

Chen Huanyou, deputy secretary of the provincial party committee and governor of Jiangsu, presided over the afternoon plenary session, at which Shen Daren, secretary of the provincial party committee, delivered an important speech. He pointed out that since the beginning of this year, our province's reform, opening to the outside world, and economic construction have entered a new phase of development. Especially after studying the important remarks made by Deng Xiaoping, the people of Jiangsu have been inspired and have become more enthusiastic about reform and opening to the outside world. They have further emancipated their minds, have had a better and more unified understanding of reform and development, and have become more confident of building socialism with Chinese characteristics. In particular, a consensus has been reached on the question of seizing the opportunity and accelerating development. The spirit of daring to blaze a new trail and carry out experiments has been strengthened. An excellent situation regarding economic development has emerged in the province. Progress has also been made in building the party, improving the democratic legal system, and building spiritual civilization.

Shen Daren stressed the necessity of further emancipating the mind so as to create a good atmosphere for accelerating reform, opening to the outside world, and developing the economy. Currently, it is necessary to

mobilize the people throughout the province to further emancipate their minds, to discuss the further emancipation of minds, to study the important remarks of Comrade Xiaoping and the relevant documents of the party Central Committee, and to remove ideological obstacles. On the question of preventing and combating erroneous tendencies, it is necessary to be vigilant against rightist tendencies, but mainly to guard against "leftist" tendencies. It is necessary to break the shackles of "leftist" ideas to further promote the emancipation of minds in our province. At present, four points must be stressed regarding the emancipation of the mind: 1) The emancipation of the mind is a long-term task. It is not something that you finish and then it is done once and for all. Nor can it be done within a fixed period of time. The practice of reform and opening to the outside is constantly developing. Therefore, we must also constantly emancipate our minds. Only in this way can we adapt ourselves to changing situations and circumstances. 2) We must not allow the emancipation of the mind to become an empty slogan. We must take concrete steps to ensure good results. We must try to solve practical problems in the light of the reality of ideology and work, and we should try to ensure that the results of emancipating the mind are embodied in accelerating reform, opening to the outside world, and economic development. 3) People of all walks of life and at all levels must emancipate their minds. They should set an example in being responsible to higher levels as well as to lower levels. 4) It is necessary to combine the emancipation of the mind with learning from the advanced in order to overcome disparities. Not only should we modestly learn from the advanced experiences of our fraternal provinces and cities to broaden our way of thinking, but we should also be good at discovering local experiences, promptly summing them up, and quickly spreading them. Learning from the advanced and overcoming disparity can arouse our sense of urgency and enthusiasm and strengthen our confidence and determination to speed up development. The purpose of emancipating our minds is to seize the opportunity to accelerate development. We must advance the spirit of seizing the day and the hour, foster the concept of daring to blaze new trails and daring to carry out experiments, and be determined to create the best possible results. We should encourage a faster growth rate, provided that efficiency is guaranteed. We should do something at a quicker pace, provided that we can accomplish it. We should set higher targets, provided that we can meet them. We must stop waiting for something and relying on something. Instead, we should take the initiative to be the first in accelerating reform, opening to the outside world, and developing the economy.

Shen Daren stressed that it is necessary to conscientiously implement the development strategy known as "priorities in three main fields, accelerating development in four areas" to raise Jiangsu's economic development to a new level. Currently, we are confronted with a rare opportunity for development. The change in the world structure has provided us with new opportunities

to take part in international economic competition; the improvement of the internal economic environment has created good conditions for us to accelerate economic development; the development of Pudong and its opening to the outside world have enhanced our strategic position; and what is more important is that Comrade Xiaoping's important remarks have served as a motivating force for reform and opening to the outside world. Under these circumstances, we should remain aware of our opportunities and take the initiative in developing ourselves.

The key to accelerating economic development lies in speeding up the pace of reform and opening up. Establishing new economic operational mechanisms with market regulation as the main component is an objective demand of Jiangsu's economy, as well as an inevitable trend of reform and development. To this end, we should further transform the government's planning and supervisory functions and methods. We should continue to change the mechanisms of large and medium-sized state enterprises so that they can orient their production toward markets in a very real sense. We should strengthen the construction of a marketing system for promoting the development of various markets and bringing into better play their regulatory role. Last, we should boldly open Jiangsu's door wider to the outside world by striving to increase exports as well as imports, to extend areas opening to the outside world, and to actively induce foreign capital, advanced technology, and managerial expertise.

In accelerating economic development, it is necessary to consistently stress both rapid growth and economic efficiency. We should encourage genuine enthusiasm, not fake enthusiasm, and we should guide cadres and people at large to devote their energy to carrying out reform and opening, updating science and technology, readjusting structure, and raising efficiency. We should step up efforts to apply the fruits of scientific research to production. Also, we should attach importance to combining science and technology programs with provincial economic development plans, as well as attaching importance to transforming the results of major research projects into key technological construction projects. In this way, we can turn Jiangsu's advantages in science and technology into productive forces and raise the efficiency of production in the truest sense. We should increase the channels for raising funds, fully mobilize and rely on the masses, and encourage the enthusiasm of all sectors in vigorously carrying out infrastructure construction. Energetic efforts must be made throughout the province to promote tertiary industry in the same way as we have promoted primary and secondary industries so that tertiary industry can contribute more to developing the provincial economy and providing employment for people.

We should work hard and persistently to accelerate the development. Today it is of crucial importance to implement the "Decision on Several Questions Concerning the Acceleration of Reform and Opening for Promoting

Economic Development" adopted by the provincial party committee and the provincial government. Guidelines which have already been laid down must be implemented resolutely without fail even if some difficulties are encountered in the course of implementation. While implementing the "Decision," we should dare to break new ground and boldly try out pilot projects already approved. We should summarize experiences for improving and gradually popularizing pilot projects in the course of our practice. While implementing the "Decision," we should pay attention to summarizing grass-roots experiences and we should support the innovative spirit of the masses. Meanwhile, we should work hard to promote economic work in all fields of endeavor for maintaining the strong momentum for economic development.

Shen Daren said: To persistently attend to economic development, on the one hand, and economic legislation, on the other, is an important component of Comrade Xiaoping's speeches, as well as an inevitable demand for building socialism with Chinese characteristics. We should strengthen the construction of democracy and the legal system, as well as strengthen the building of spiritual civilization, striving to create a stable and harmonious political and social environment for reform, opening up, and economic construction. We should attach great importance to the work of people's congresses and people's political consultative conferences, promote the construction of democracy, and effectively direct the enthusiasm of all sectors to the central task of economic construction. We should continue to launch extensive mass campaigns for building spiritual civilization, constantly improve the quality of courtesy units, ensure a good job in the construction of ideology and morality, and encourage and foster healthy practices within trades and the general conduct of society. We should strengthen the work to improve public order through comprehensive measures, severely and speedily crack down on serious criminal offenses and economic crimes according to the law, make determined efforts to wipe out various ugly social phenomena, and enforce the law to ensure normal economic and social order.

Shen Daren said: A strong party leadership is the fundamental guarantee for accelerating reform, opening up, and economic development. Motivated by the convocation of the 14th national party congress, we shall actively strengthen the party's ideological and organizational construction and improve work style, strive to improve the quality of party leadership, and constantly enhance the party's fighting capacity in the course of reform and opening up. Economic construction is the central task of the entire party. Party organizations at various levels should firmly grasp this central task and concentrate efforts on economic construction at all times and under all circumstances. All trades and professions as well as people in various sectors should clearly understand their position and duties in economic construction, and they should work concertedly with one heart and one mind toward one goal—namely, the acceleration of Jiangsu's

economic construction. Party committees at all levels should diligently study and familiarize themselves with economic work and raise their capability to control the overall situation. In line with the principle for promoting younger, better educated, and more revolutionary and professionally competent cadres, and in line with the need for both ability and political integrity, we should boldly promote and replenish leading bodies with cadres who have persisted in the party's basic line with a daring and pioneering spirit to break ground and experiment, and who have performed meritorious government service. We should accelerate the reform of the system to promote cadres and strive to create a mechanism for promoting outstanding young and middle-aged cadres. Meanwhile, we should earnestly improve the ideology and work style of leading bodies at all levels, intensify the construction of party work style, and promote a clean government.

In conclusion, Shen Daren called on party organizations at all levels, all Communist Party members, and the masses of people to—under the leadership of party Central Committee with Comrade Jiang Zemin at the core—steadfastly implement the party's basic line, seize the opportunity, and work hard to accelerate reform, opening up, and economic development in order to greet the convocation of the 14th national congress with outstanding accomplishments.

Jiangsu Province Steps Up Anti-Drought Efforts

OW1207131592 Nanjing Jiangsu People's Radio
Network in Mandarin 1015 GMT 10 Jul 92

[From the "News" program]

[Text] The provincial party committee and people's government convened an emergency meeting in Lianyungang this afternoon to study measures to fight droughts and provide relief. Party and government leaders of five cities—Xuzhou, Huaiyin, Yancheng, Lianyungang, and Yangzhou—briefed the meeting on local efforts to combat droughts and provide disaster relief. Cao Hongming, deputy secretary of the provincial party committee, and Deputy Governor (Yu Qinde) spoke.

The meeting pointed out that since mid-May the Huaibei area of Jiangsu Province has been ravaged by severe drought. As the long drawn-out drought coincides with the province's peak period for agricultural use of water, water is in short supply province-wide. Large areas of [word indistinct] crops have withered. Over 2 million mu of farm crops have been seriously affected by the drought. Nearly 1 million people in [words indistinct] do not even have enough drinking water. The drought continues in spite of rainfall in some areas over the past few days.

The meeting urged the Huaibei area to attach overriding importance to the anti-drought struggle. Meetings that have nothing to do with anti-drought efforts should be dispensed with, and all sightseeing trips should be put on

hold so that cadres at all levels—those at county and town levels in particular—can attend to anti-drought work with their undivided attention. Principal government leaders at all levels must personally attend to the efforts while making arrangements against possible floods in case the drought abruptly turns into a flood. It is necessary to manage and make efficient use of the limited water resources. In the use of water, top priority is to be given to water needed for daily life; followed by water needed for transportation, navigation, power plants, and Lianyungang Port; and finally water for irrigation. The emergency water diversion plan worked out by the provincial anti-flood and anti-drought headquarters should be carried out to the letter. In areas where regular water resources have dried up, efforts should be made to draw ground water to protect seedlings. Areas which have had some rainfall over the past few days should rush-plant, replant, or switch to other crops. All levels and all departments must wholeheartedly devote themselves to anti-drought efforts, and must do their best to minimize the losses resulting from the drought.

Mobilizes Troops To Assist

OW1207131492 Nanjing Jiangsu People's Radio
Network in Mandarin 1015 GMT 10 Jul 92

[From the "News" program]

[Text] In response to calls by the Nanjing Military Region, the provincial party committee, and the people's government, the Jiangsu Provincial Military District issued an urgent circular to its sub-districts yesterday afternoon mobilizing regular and reserve troops to help localities in fighting the drought.

The circular asks all departments under the military district to spare no effort in helping localities fight droughts, to keep a close watch on the development of the drought, and to provide timely and accurate reports on drought-related emergencies. It calls on them to mobilize and organize troops within the military district, militiamen, and reserve personnel to participate in local anti-drought efforts and to make contributions to the ultimate victory in the anti-drought struggle.

Jiangxi Governor on Plans for Industrial Corridor

OW1107095792 Beijing XINHUA in English
0716 GMT 11 Jul 92

[Text] Beijing, July 11 (XINHUA)—The Jiangxi provincial government has decided to build the Nanchang-Jiujiang industrial corridor in the next 30 years, according to a press conference held by the province in Shenzhen City, Guangdong Province, in southern China.

The corridor is about 120 kilometers long and stretches between Nanchang, capital of the province, and Jiujiang, another port city. It is a key region of reform and opening to the outside and for economic development in the 1990s.

The corridor region will be turned into an export-oriented, technology-intensive and high-efficiency industrial belt combined with agricultural development.

Zhou Zheping, governor of the province, said that the province will first put stress on improvement of the investment environment. It plans to complete 52 infrastructural projects and 80 industrial production projects in the next two years in the corridor region.

The provincial government has worked out a series of preferential policies for approval procedures, land leasing, taxation and some selected industries to attract overseas investment in the corridor.

The governor said the province will hold a large export commodities fair in Hong Kong on Aug. 17.

Shandong Receives More Foreign Investment

OW1107101792 Beijing XINHUA in English
0830 GMT 11 Jul 92

[Text] Jinan, July 11 (XINHUA)—East China's Shandong Province approved 1,290 foreign-funded projects in the first half of this year, involving more than 1.03 billion U.S. dollars.

The figures respectively increased by 227 and 358 percent over the same period of last year, according to statistics from the provincial commission of foreign economic relations and trade.

In the first six months, the province approved more foreign-funded enterprises with huge investment volumes and long cooperation terms.

The province approved the founding of the Weifang Taichang Light Industry and Chemicals Co. Ltd, with a total investment of 172 million U.S. dollars, and 80 percent of the investment was from the United States. The cooperation term will be 20 years.

Since the economic reform started in 1979, the province has approved 4,896 foreign-funded projects involving a total investment of about 3.643 billion U.S. dollars.

Pudong Enterprises Preparing To Expand Business

OW1007173392 Beijing XINHUA in English
1451 GMT 10 Jul 92

[Text] Shanghai, July 10 (XINHUA)—The enterprises in the New Pudong Development Zone in Shanghai will expand their business, a government official said here today.

Sha Lin, director of Shanghai Municipal Department of Foreign Economic Relations and Trade, said that there are now 53 domestic and foreign funded enterprises in the zone.

He said that apart from export commodities, the enterprises will also engage in real estate business, entrepot trade or run business in other countries.

He said that Shanghai Machinery Import and Export Corporation has set up a subcompany in the New Pudong Zone and the latter will run a supermarket in the zone.

Sha released that the opening scope of foreign trade of the New Pudong Zone will further expanded in the second half of this year.

He said that all enterprises, including those non-foreign trade ones such as commercial services, building materials industry, scientific and technological institutes and other departments, can adopt different ways to engage in export business.

He said that all enterprises groups in the New Pudong Zone will enjoy decision-making power in export business.

Zhejiang Province Drafts Plan To Open Wider

OW1107025092 Beijing XINHUA in English
0228 GMT 11 Jul 92

[Text] Hangzhou, July 11 (XINHUA)—East China's Zhejiang Province will further expand the scope and size of utilizing foreign investment in the next decade, in order to fuel its ambitious plan of economic development.

At a press conference held in this capital of the province Friday, Governor Ge Hongsheng said that Zhejiang will make a breakthrough in utilizing foreign investment in four respects: including energy, materials, the hi-tech and service industries and agriculture.

Ge said the province will offer 231 economic and technological projects for foreign funding in September. It will invite tenders from foreign investors for the projects, which will need a total of 6.5 billion U.S. dollars-worth of investment.

Ge said that the province will use foreign investment to boost the construction of Ningbo, Wenzhou and Hangzhou cities and other coastal areas of the province. It will develop Ningbo into one of the country's major international harbors, and the energy and raw materials base of east China.

Ge said that the province has achieved an annual growth rate of 11.1 percent in the past decade. In the first half of this year, it has seen a 340 percent increase in the volume of foreign investment, over the same period of last year. He said that the coastal province has benefited from close ties with Shanghai, the country's leading industrial metropolis.

Zhejiang To Attract More Foreign Investment

OW1207083392 Beijing BEIJING REVIEW
in English No 27, 6-12 Jul 92 pp 21-24

[Text] Zhejiang Province is adjacent to Shanghai, China's largest metropolis. In the last decade and more, the province has greatly improved its investment environment and expanded its door wider to the outside world. It now has a comprehensive open economic

structure consisting of open coastal cities, economic and technological development zones, coastal economic zones and booming inland areas in the southwest and northwest of the province.

Rich Products and Tourist Resources

Zhejiang is one of China's most prosperous provinces. The Hangjiahu Plain, Ningshao Plain and Wenhuan Plain are nation-known production bases for grain, silk, tea and fresh water fish. The Zhoushan Fish Farm is the largest of its kind in the country. Zhejiang, also one of China's top producers of tea, silk, aquatic products, oranges, bamboo products and jute, leads the country in the export of silk and tea. Non-metallic minerals are abundant in Zhejiang and the reserves of aluminum, zeolite, pyrophyllite and quartz rank either first or second in the country. The basin area of the East China Sea continental shelf has a promising future in petroleum and gas exploration. The province is also abundant in tourist resources. The West Lake in Hangzhou is known throughout the world as the "paradise on earth" for its natural beauty. There are also a large number of state-level or provincial level scenic spots including the Fuchun River, the Xinan River, Putuo Mountain, Yandilig Mountain, Tiantai Mountain, Shengsi Islands and the Nanxi River. The remains of the Hemudu Culture and the Liangzhu Culture (both dating back 7,000 years) serve as a treasure house of brilliant ancient Chinese culture.

Improved Infrastructures

During the 1980, the province invested 13,942 billion yuan to expand infrastructures and basic industries to acquire conditions for further opening to the outside world.

—Telecommunications. Zhejiang now leads the country in postal and telecommunication facilities. Express mail service is introduced in all major cities, the 11 cities and prefectures directly under the province's jurisdiction have set up long-distance telephone automatic exchange centres. Telephone services above the county level have all been connected with domestic and international automatic exchange networks and offer direct dial service to 1,002 cities in the country and 195 countries and regions throughout the world. The mobile telephone project covering two-thirds of the province's counties and cities has already been put into service.

—Air Services. The province's air service network has been basically completed. Five new airports have been completed in Hangzhou, Ningbo, Wenzhou, Huangyan and Yiwu, opening 80 air routes which connect more than 20 major cities in the country including Beijing, Shanghai, Guangzhou, Xian and Wuhan. There are also direct flights from Hangzhou and Ningbo to Hong Kong.

—Ports. Along the coast from Hangzhou Bay to the Oujiang River mouth, there are more than 50 small

and large ports, among which the Zhapu, the Zhoushan, the Ningbo, the Haimen and the Wenzhou are the five most important. There are 24 berths which are able to accommodate vessels exceeding 10,000 tons. Navigation lines have been opened from these ports to the United States, Japan and Hong Kong and the five major ports all have customs offices. The Beilun Port in Ningbo is one of China's four largest international transfer ports. The port facilities include China's largest international third and fourth generation container wharfs and 12 berths which can accommodate 25,000 to 150,000-ton vessels, with a total annual handling capacity of 40 million tons. The port has already opened navigation lines to 225 ports in 57 countries and regions. Ningbo Port has regular container lines to the eastern ports in the United States and to Yokohama and Kobe of Japan and Hong Kong. The deep-water port can accommodate 150,000-ton ships at all times and 200,000-ton ships during favourable tides. During the Eighth Five-Year Plan period, a new 200,000-ton berth will be constructed at the Beilun Port and the port's annual handling capacity will be increased to 70 million tons of both bulk goods and containers. The port will not only become an important transfer centre for the Shanghai economic zone and the middle and lower reaches of the Yangtze River but also one of the most important channels connecting China and the world. In the 1990s, the province will accelerate the pace of construction of the Shanghai-Hangzhou-Ningbo Highway and the double-track Xiaoshan-Ningbo Railway connecting Beilun Port and Shanghai Port.

—Railways. Remarkable achievements have been made in railway line construction. The railway lines in Zhejiang, with Hangzhou, the provincial capital, as the hub, include the two trunk lines of Shanghai-Hangzhou and Hangzhou-Nanchang railways. The double track line from Shanghai to Hangzhou has already been put into service, doubling transportation capacity. The double line from Hangzhou to Fuzhou is under construction. The Xuancheng-Hangzhou Railway has been recently completed and become the province's second most important rail line connecting the northern and southern areas. The second bridge over the Qiantang River has been opened to traffic. The trunk railway line in the southern part of the province, from Jinhua to Wenzhou, is now being constructed.

—Highways. The province's highway transportation conditions have been improved. In the province, there are six national trunk highways and 69 provincial-level trunk highways, totalling 5,800 kilometres. Construction of the highway connecting Hangzhou and Ningbo is under way.

—Electric Power. The province's electric power supply capacity has been constantly increased. It not only has large thermal-power plants such as those in Zhenhai, Taizhou and Banshan, but also large hydro-power

plants at the Xinan River, Fuchun River and Jinshuitan River. In recent years, new power plants have been built at Wenzhou, Changxing and Beilun, and the power plants at Zhenhai and Taizhou have been expanded. The Qinshan Nuclear Power Station, the first 300,000 kw nuclear power station designed and constructed by China, was completed. The second phase of the project is under construction. Zhejiang has become China's most promising province in the area of electric power production through the use of water, coal, wind, tide and nuclear sources.

Opening Wider

The opening of the province is gaining increasing momentum. A total of 37 cities and counties in the province have been listed as coastal opening areas, and there are 243 industrial satellite townships which enjoy the privileged policies granted to coastal areas. The government has approved the establishment of the Ningbo Economic and Technological Development Zone, the Beilun Port Industrial Area, the Hangzhou Hi-Tech Industrial Development Zone and the Wenzhou Economic and Technological Development Zone where foreign investors enjoy preferential state policies. The infrastructure construction in these special areas is basically completed. The Beilun Port Industrial Area, approved by the State Council in 1986, covering an area of more than 70 square metres [as published], is the second largest of its kind in China. The government, Zhejiang Province and city of Ningbo have invested over 6 billion yuan to construct the country's largest ore transfer port and the third and fourth generation container ports. The first phase of Lishe Airport in Ningbo has been completed and a 170,000 line programmed telephone network imported from Australia has been installed. Basic industrial enterprises such as the Zhenhai General Petrochemical Works, the Zhenhai Power Plant and the Beilun Port Power Plant have been constructed at the Beilun Port. The industrial zone is now ready to use foreign investment for large-scale development. By the end of last April, 37 foreign-funded enterprises had been set up, involving a total investment of US\$320 million, of which US\$175 million was in foreign capital. Over 100 foreign-funded enterprises have been set up in the Ningbo Economic and Technological Development Zone, the Beilun Port Industrial Area and the Wenzhou Economic and Technological Development Zone. Now, more investors are prepared to invest. More than 100 hi-tech enterprises have been approved for the Hangzhou Hi-Tech Industrial Development Zone. In addition, construction is being expedited in the Qianjiang-Hangzhou investment area.

As China's most important trade port, Zhejiang has established economic and trade relations with nearly 10,000 foreign companies in over 140 countries and regions. In 1991 its total import and export value reached US\$3.451 billion. The number of foreign investors is increasing annually. By the end of 1991, there were 1,370 foreign-funded enterprises with a contracted foreign capital of US\$1.651 billion. In the first four months

of this year, another 236 foreign-funded enterprises were set up, a 231 percent increase over that of last year. The contracted foreign capital reached US\$120 million, up 266 percent on the same period last year. The enterprises which have gone into operation generally have yielded good economic and social results.

The 'Soft Environment'

In order to encourage foreign investment in Zhejiang, the provincial government early this year issued 11 new rules and policies for foreign investors, Hong Kong, Macao and Taiwan compatriots and overseas Chinese. The documents concern tax reduction, capital loans, land rent, foreign currency, simplified procedures for approval and guarantees for enterprises' decision-making power. Government organizations at various levels and relevant departments have also endeavoured to improve the investment climate by offering personnel-training and quality service, improving management, safeguarding the legitimate rights and interests of foreign investors and helping existing foreign-funded ventures to efficiently operate.

Strategy for the 1990s

As a neighbour of Shanghai, Zhejiang Province in the 1990s will give full reign to its advantages in order to keep pace with the opening and development of the Pudong Area in Shanghai. Priority will be given to development of Ningbo and Wenzhou, two coastal open cities, and Hangzhou, the international city of tourism. Of the three cities, more emphasis will be laid on Ningbo. Ningbo's Beilun Port Industrial Area will be built into a large international transfer port, a major trade port in east China and an important base of energy resource and raw materials and the largest export processing area in the province. Relying on the Beilun Port, Zhejiang will expedite the development of small and medium-sized ports adjacent to Ningbo and accelerate the pace of development in such areas as Shaoxing, Hangzhou, Jiaxing and Huzhou along the Shangfai-Hangzhou-Ningbo motor way and the gold coast in eastern Zhejiang, including Zhoushan, Taizhou and Wenzhou.

With the growth of the economy and an overall improvement in local conditions, the province will also step up development in areas along the Hangzhou-Nanchang and Jinhua-Wenzhou railways. The areas in the middle and western parts of the province are also encouraged to attract foreign investment and increase export, develop border trade and gradually lift the scale of opening up.

The provincial government and local enterprises are willing to engage in extensive cooperation with overseas business and will create convenient and favourable conditions for foreign investors.

Central-South Region

Guangdong Fights Prostitution, Other Vices

HK1207071092 Beijing RENMIN RIBAO
in Chinese 9 Jul 92 p 1

[By reporter Wu Hengquan (0702 1854 2938): "Guangdong Province Cracks Down on Prostitution, Wipes Out Vicious Phenomena"]

[Text] Since April this year, Guangdong provincial party committee and provincial government have adopted resolute measures and taken unified action throughout the province to crack down on prostitution and other illegal and criminal activities in order to implement the spirit of Comrade Xiaoping's speeches on "never be softhearted in cracking down on all kinds of criminal activities and wiping out all kinds of vicious phenomena." This action has purified social atmosphere, maintained public security order, and created a better social environment for reform, opening up, and economic construction.

Since the struggle against all kinds of criminal activities was carried out in depth, with cracking down on prostitution as the main target, the Guangdong provincial party committee and provincial government have sent 10 work groups to Guangzhou, Shenzhen, Zhuhai, Zhongshan, Dongguan, Foshan, Jiangmen, Huizhou, Shanwei, and Heyuan to examine and supervise work. All cities and counties of this province have also organized more than 500 work groups to offer concrete guidance in some major areas and units. Over the past more than two months, the province has ferreted out more than 300 prostitution groups, smashed more than 550 prostitution haunts, and tracked down more than 7,000 people involved in prostitution. It has also checked and rectified more than 3,000 hotels, hair saloons, beauty centers, and cultural and recreational places which were engaged in pornographic activities. The businesses of more than 680 of them have been suspended for rectification while some 150 have been revoked of business licenses. More than 1,600 female masseuses engaging in pornographic activity were dismissed.

In the struggle against prostitution, the Guangdong provincial party committee and provincial government require all localities to take cracking down on prostitution groups and ferreting out their controllers behind the scene as the main task. A number of prostitution groups were ferreted out through mass information. In Baoan County, the "Yinhai Industrial City Hotel"—a haunt for prostitution in Henggang Town, was thoroughly checked. The public relations chief of the hotel served as a procurer, who numbered more than 50 unlicensed prostitutes and other "accompanying women," offered them to lechers, and forced women into prostitution. The hotel has been ordered to suspend business for rectification. The manager and public relations chief have been arrested and will be investigated and affixed criminal responsibilities.

In the struggle to crack down on and ban prostitution, Guangdong has also cracked a number of major and important criminal cases. By checking some houses for rent, the Huiyang County Public Security bureau discovered and seized a prostitution group involving nine men and four women, together with four small-bore pistols and many bullets. A murder case committed by the same group members was simultaneously unraveled.

All localities in Guangdong have conscientiously implemented the National People's Congress [NPC] Standing Committee's "Decision on Strictly Forbidding Prostitution." The people involved in the prostitution cases have been taken in and put under education for a period of six months to two years. At present, some 18 cities of this province have extended or built new places for taking in and educating such people. Since April this year, nearly 4,000 people throughout the province, who are involved in prostitution have been taken in and educated.

Drug-Related Crime 'Increasing' in Guangzhou

HK1307062692 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0940 GMT 3 Jul 92

[Report: "Drug Crime in Guangzhou Is Increasing"]

[Text] Guangzhou, 3 Jul (ZHONGGUO TONGXUN SHE)—In recent years, drug-related crime in Guangzhou continued to increase in spite of the authorities' effort to check it, and the situation was quite grim. According to public security department statistics, in the first quarter of this year, more than 500 people taking drugs or trafficking in drugs were discovered and seized, and the number increased 17.1 percent over the same period last year. Of these people, 93.1 percent are young or early middle-aged people, 64.8 percent are residents of Guangzhou, and 74.7 percent are self-employed or jobless people. The staggering profits brought by drug trafficking tempted many law-breakers to unscrupulously join such activities regardless of the risk of losing their lives.

At present, the drug crime shows the following tendencies: First, Guangzhou has become a land, sea, and air channel for the international criminal activities of smuggling and trafficking drugs. In the 1970's, the infiltration of drugs only occurred in small quantities in some border areas of Yunnan Province. However, in the 1980's, drugs were first carried to Guangzhou through the air service between Thailand and China, and were then transported from the Golden Triangle to Guangzhou via Yunnan and Guizhou to be further transported to the international drug market via Hong Kong or Macao.

Second, drug crime in Guangzhou is mostly committed by crime syndicates, which have relations with criminal organizations outside the mainland. They organize long-distance transregional, transnational, and even transcontinental drug trafficking; and form a complex and widespread underground network for purchasing, transporting, and marketing drugs. Those who finance and manipulate the criminal activities behind the scenes are leaders of drug trafficking cliques in Hong Kong and Macao or leaders of international

drug trafficking organizations. For example, drug trafficker Ng Sai, who was recently executed, was sent by a Hong Kong drug trafficker surnamed Ching to Shenzhen and Guangzhou to purchase drugs from domestic traffickers to smuggle the drugs out of the mainland.

Third, the quantity of drugs involved in the smuggling and trafficking cases is increasing, and the amount of money involved in drug trafficking is also getting larger and larger. In many cases tried by the courts, the quantity of heroin involved often reaches several thousand or more than 10,000 grams and the quantity of opium reaches tens or even hundreds of kilograms.

Fourth, drug traffickers are mostly people not engaged in honest work and recidivists who were sent to receive reeducation through labor or sentenced to imprisonment. Some of them are wanted serious criminals who have committed heinous crimes.

Fifth, the drugs being trafficked and consumed have been upgraded from opium to heroin, "ice," and other more sophisticated drugs.

Shenzhen Statistical Bureau: Economy 'Booming'

OW1007133992 Beijing XINHUA in English
1237 GMT 10 Jul 92

[Text] Shenzhen, July 10 (XINHUA)—The economy of Shenzhen, China's leading economic zone in Guangdong Province, is continuously booming this year.

According to the city's statistical bureau, its industrial output value in the first six months of this year totalled 14.39 billion yuan, an increase of 28.9 percent over the same period of last year.

Included were 8.33 billion yuan of the output value of export goods, up 26.2 percent over the same period of last year, and 10.12 billion yuan of the output value generated by foreign-funded enterprises, up 31.1 percent.

Shenzhen spent 3.25 billion yuan on capital construction in the first half of the year, an increase of 68 percent over the same period of last year.

The city's commodity retail sales amounted to 5.2 billion yuan in the January-June period, up 31 percent over the same last year period.

The city exported 2.61 billion U.S. dollars worth of goods in the first half of this year, up 24.8 percent, and imported 2.13 billion U.S. dollars worth of goods, up 27.3 percent.

Shenzhen's financial income rises rapidly alongside its overall economy, according to the bureau.

Hainan Secretary on Building Special Tariff Zone

HK1007144292 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 1 Jul 92

[Text] A two-day Hainan Special Tariff Zone International Consultative Conference was convened at the Haikou-based China Hainan Reform and Development Research Society yesterday morning.

More than 20 Chinese and foreign experts and scholars unfolded in-depth and multifaceted scientific study and demonstrations of the issue at the conference.

Provincial leaders, including [provincial party committee Secretary] Deng Hongxun, Yao Wenxu, Gu Qinglin, Bao Keming, Liu Xuebin, Cao Wenhua, Xin Yejiang, and others, attended the conference.

Deng Hongxun delivered an important speech at the conference in which he stated: Successfully building the Hainan Special Tariff Zone not only conforms with a strategic principle formulated by the central authorities but also signifies an internal demand of Hainan's reform and opening up. The building of the Hainan Special Tariff Zone will not only provide a structural guarantee of Hainan's faster reform and opening up in the years to come but also bring into full play Hainan's unique superiorities in opening up to the outside world. The building of the Hainan Special Tariff Zone will probably constitute a major breakthrough in Hainan's opening up to the outside world as well as an effective measure in implementing to the letter the instruction issued jointly by the CPC Central Committee and the State Council on building Hainan Island into China's largest special economic zone.

Deng Hongxun stressed: The building of the Hainan Special Tariff Zone is an extremely complex issue covering a wide range of concerns and related to the customs, foreign trade, banking, financial, currency, post and telecommunications, and judicial sectors. Therefore, all the Chinese and foreign experts concerned are encouraged to freely air their views on the issue. On the other hand, the provincial party committee and government will conscientiously study all the views expressed by the experts concerned, and form a special team to map out plans and step up scientific study and demonstrations of this issue in order to come up with more mature views and more concrete plans.

Deng Hongxun maintained: The scientific study and demonstrations of the issue of building the Hainan Special Tariff Zone on the one hand and the large-scale development of the Yangpu area on the other are mutually complementary. The study and demonstrations conducted at the current conference will help to promote the faster development of the Yangpu area, perfect the Yangpu model, and publicize the Yangpu model in the whole island.

Apart from this latest consultative conference, which dwelled upon more in-depth and more concrete issues concerning the building of the Hainan Special Tariff

Zone, two similar consultative conferences had been held in Haikou and Beijing respectively. One was held in early April and the other at the end of May this year.

Hubei Rally Mourns Li Xiannian's Death

*HK1007135192 Wuhan Hubei People's Radio
Network in Mandarin 1000 GMT 5 Jul 92*

[Excerpts] This morning, nearly 3,000 deeply grieved persons including party, government, and military leading comrades from provincial CPC Committee, provincial Advisory Commission, provincial People's Congress, provincial government, provincial Chinese People's Political Consultative Conference [CPPCC], provincial Military District, provincial Discipline Inspection Commission, and Wuhan city, as well as representatives of public figures from various circles in the society, gathered at Wuchang's (Hongshan) Auditorium to mourn the death of Comrade Li Xiannian, a great proletarian revolutionary, politician, strategist, firm Marxist-Leninist, outstanding party and state leaders, and chairman of the CPPCC National Committee. [passage omitted]

Comrade Li Xiannian's wife Lin Jiamei, children, and other relatives attended the mourning ceremony. Other attendees include: Yang Dezhong, first deputy director of the General Office of the CPC Central Committee; and Lu Zhichao, deputy secretary general of the CPPCC National Committee. The mourning ceremony was presided over by Hubei Provincial Secretary Comrade Guan Guangfu.

In his memorial speech, Guan Guangfu said with deep grief: Comrade Li Xiannian, a great proletarian revolutionary, politician, strategist, firm Marxist-Leninist, and outstanding party and state leader, parted forever to our great sorrow. His death is a great loss of the party and state. Hubei is Comrade Li Xiannian's native place, and a province where he had once worked and fought. Whether in war times or in the period of socialist construction; whether in the period when he worked in Hubei or in the period when he worked for the central authorities, Comrade Li Xiannian always had special feelings for Hubei. After the death of Comrade Li Xiannian, 54 million people in Hubei, a land stained with the blood of martyrs, have been deeply grieved. Today, with deep feeling of grief, we recall his glorious achievements, and mourn his unfortunate passing away. [passage omitted]

Comrade Lin Jiamei and her children brought Li Xiannian's bone ashes to Wuhan by a special plane yesterday afternoon. Party, government and military leaders of Hubei Province and Wuhan met the bone ashes at the airport. According to Comrade Li Xiannian's behests, this afternoon some of his bone ashes will be spread over Dabie Shan, where he fought. [passage omitted]

Hunan Secretary, Governor Address Work Meeting

*HK0907092592 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 29 Jun 92*

[Excerpts] A two-day provincial party committee work meeting concluded in Changsha yesterday. Provincial party committee Secretary Xiong Qingquan presided over the meeting.

Chen Bangzhu, provincial party committee deputy secretary and provincial governor, delivered an important speech in which he emphatically called on the broad masses of cadres and people across the province to further emancipate the mind, update concepts, acquire an in-depth understanding of and comprehensively implement the spirit of a series of important speeches made by Comrade Deng Xiaoping, concentrate efforts on accomplishing several major tasks with a view to expediting reform and opening up and pushing province-wide economic construction onto a new stage, as well as carry out down-to-earth economic work in the second half of this year.

Comrade Chen Bangzhu stated: To further emancipate the mind, update concepts, and acquire an in-depth understanding of and comprehensively implement the spirit of a series of important speeches made by Comrade Deng Xiaoping, we must attach great importance to and make redoubled efforts to successfully address the following three issues:

1. To further discard outmoded traditional concepts and ward off interference of the left ideology;
2. To enhance both a sense of responsibility and a sense of urgency, carry out work in a down-to-earth manner and in real earnest, and seize current excellent opportunities to push ahead with provincewide economic construction;
3. To proceed from actual conditions and integrate a pioneering spirit of daring to conceive and try out new things with a scientific attitude of seeking truth from facts.

Speaking of concentrating greater efforts on accomplishing a number of major tasks, Comrade Chen Bangzhu emphatically singled out the following nine tasks:

1. To build a high-quality, high-yield, and high-efficiency agriculture, try to comprehend Hunan's agricultural advantages in accordance with a commodity economy concept, strengthen determination in gearing agricultural production to market, enable peasants to ascend the stage of socialist market economy in a dual capacity as both commodity producers and commodity operators;
2. To make painstaking efforts to shift the enterprise operative mechanism, speed up industrial development, and delegate more autonomous powers to enterprises so as to really orient enterprise production to market;
3. To actively foster and develop a market system. To this end, it is necessary to simultaneously and vigorously

develop a commodity market, a capital market, a qualified personnel market, an information market, a technology market, a labor service market, a real estate market, as well as a market for essential production elements;

4. To further expand opening up to the outside world; [passage omitted]

5. To further push ahead with provincewide foreign economic relations and trade work, make new breakthroughs in foreign funds utilization, in industrial trade, agricultural trade, and technological trade development, as well as in integration of domestic trade with foreign trade; [passage omitted]

6. To make unreserved efforts to develop a tertiary industry, an individual economy, and a private economy and strive to make tertiary industry development outpace primary and secondary industries development;

7. To speed up key projects construction and institute a responsibility system in hopes of guaranteeing key projects construction, strengthening key projects design and construction management work, economizing on investment in key projects, and having key projects built and put into operation as scheduled;

8. To further promote integration of science and technology with economy and strive for industrialization of science and technology;

9. To actively push ahead with government institutional reform.

Comrade Chen Bangzhu noted: All government institutions must transform functions and strengthen their service function. In the meantime, we should encourage economic management departments to transfer some government employees to set up economic entities in the society and quicken the pace of county-level institutional reform.

Comrade Chen Bangzhu also put forth a number of concrete requirements on how to successfully further provincial work in the second half of this year.

At the meeting, comrades in charge of some 15 departments, such as the provincial planning commission, the provincial economic affairs commission, the provincial finance department, and others, also delivered speeches in which they expressed their views on working out ways and means of further implementing the spirit of a series of important speeches made by Comrade Deng Xiaoping, speeding up reform, opening up, and economic construction pace, transforming government functions, strengthening and improving services, as well as on some other issues.

The meeting was attended by provincial party, government, and military leaders, prefectural, autonomous prefectural, and city party committee secretaries, prefectural commissioners, autonomous prefectural directors, and city mayors, as well as principal comrades in charge of various provincial departments, commissions, offices, and bureaus concerned.

Moreover, all the principal comrades in charge of various units directly under the provincial authorities also attended and listened to reports at the meeting.

North Region

Pinggu Station Begins Broadcasting in Beijing

SK1307072692 Beijing BEIJING RIBAO
in Chinese 13 May 92 p 1

[Text] With the support of the state and the pertinent departments of Beijing Municipality, Pinggu Television Station formally began broadcasting on 12 May. With the approval of the Ministry of Radio, Film, and Television, this station will broadcast programs on frequencies through Channel 4, in addition to relaying the news programs of the Central and the Beijing Television Stations.

Hebei Province Opens Educational Work Conference

SK0307040492 Shijiazhuang Hebei People's Radio
Network in Mandarin 2300 GMT 27 Jun 92

[Text] The provincial educational work conference ceremoniously opened in the provincial capital on 27 June. The conference pointed out: During the Eighth Five-Year Plan period, under the guiding principle of successfully running education to invigorate education, the province as a whole should boldly pioneer the road, deepen reform, facilitate the economy in line with the realities of the province, expand the educational scale to improve the quality of the masses, and improve educational conditions and efficiency so that the province's educational projects will witness breakthroughs in three fields, take a turn for the better in four fields, and embark on a new stage in five fields. [hereafter called "three-four-five" objectives] By breakthroughs in three fields we mean making breakthroughs in scale, ways, and degree of the combination between education and economy. The reform of educational management system should be aimed at developing the school-run enterprises. By the turn for the better in four fields we mean improving areas where educational funds are seriously deficient and the channels of sources are relatively limited, where a relatively low proportion of teachers of higher and secondary schools meet the standards for formal education, where the overall number of specialized personnel of senior and middle levels is limited and the number of higher and secondary school students for every 10,000 persons is relatively small, and where top-notch personnel are seriously insufficient. The new stage in five fields means to embark on a new stage in the cultural, vocational, and technical expertise of the province's laborers, embark on a new stage in the standardized construction of the teaching conditions of the schools at all levels and all types, embark on a new stage in the quantity, grade, application, and commercialization of scientific research achievements scored by higher learning institutions as well as scientific and technology service of such institutions, embarking on a new stage in

the educational quality of schools of all levels and types, and embarking on a new stage in the efficiency of school management.

To fulfill the aforementioned "three-four-five" objectives for educational reform and development, Gu Erxiong, in his speech, set forth measures for paying continuous attention to educational reform.

Cheng Weigao also spoke at the conference. He said: Education is currently divorced from and lags behind economic construction, the ranks of teachers fall short in educational projects, and an educational fund shortage affects the development of educational projects have been revealed fully. In face of these problems, we should pay attention to the following four tasks to fulfill the "three-four-five" objectives. First, we should take full advantage of existing teachers and [words indistinct] to give full play to their role and should boldly and persistently push educational specialists to the main battlefield of economic construction to train qualified personnel for economic construction and social development. Second, we should solve the shortage of educational funds. Third, we should further emancipate our minds and renew our concepts. Fourth, we should successfully run education and solve [words indistinct].

Hebei Technological Symposium Ends in Shenzhen

SK1307104292 Shijiazhuang HEBEI RIBAO
in Chinese 13 May 92 p 1

[By reporters Wang Jinying (3769 6651 5391) and Wang Ning (3769 1337): Hebei Symposium Successfully Ends in Shenzhen]

[Excerpt] The seven-day symposium on issuing Hebei Province's external economic and technological cooperation projects created fruitful achievements and satisfactorily ended in Shenzhen special economic zone on 12 May.

As of 1200 on 12 May, 454 contracts involving foreign capital were signed, the total investment was \$1,400.8 million, and \$667.47 million in foreign capital were used, setting record highs. Of this, 433 contracts on building three kinds of foreign-funded enterprises were signed involving \$330.8 million in foreign capital, 10 contracts on conducting processing with supplied materials and samples and assembling with supplied parts as well as compensation trade were signed involving \$29.35 million foreign capital, four contracts on using various kinds of foreign loans were signed and \$7 million loans will be granted according to these contracts, four contracts on developing land on a large scale were signed and \$317 million in foreign capital were involved in these contracts, and three contracts on developing real estate on a small scale were signed involving \$1.78 million in foreign capital. In addition, 40 contracts on importing advanced technologies and key equipment were signed and \$37 million in foreign exchange will be used according to these contracts. [passage omitted]

State Council Trade Laws Bring Tangshan Results

OW0907100692 Beijing XINHUA in English
0904 GMT 9 Jul 92

[Text] Shijiazhuang, July 9 (XINHUA)—Tangshan in North China's Hebei province signed 60 contracts totaling 58 million U.S. dollars in foreign investment in the first half this year.

From January to June the city's export volume reached 765 million yuan, a 13 percent increase over the same period last year.

Since the State Council approved the urban area and five coastal counties of Tangshan city as an open zone in March 1988, Tangshan has stepped up construction of the Nanbao and Haigang development zone and a special high-tech development zone.

The city which was devastated by an earthquake 16 years ago, has become a new industrial base for energy and raw materials in the northern part of China, according to the mayor, Liu Jingchang.

He said that in the past four years, the local government worked out a series of preferential policies for foreign investors and made 1.3 billion yuan worth of improvements in transport, telecommunications, water and power supply.

The city has built two 15,000-ton berths in the port of Tangshan and installed 25,000 automatic telephones for direct dialling 140 countries and regions.

The city mayor said that the city will continue its expansion policies. It will list 1,000 co-operative projects and set up enterprises abroad and develop 10 export-oriented agricultural bases.

Liu expects that the total export volume will more than double to three billion yuan in 1995.

Hebei's Qinhuangdao Receives More Investment

OW1207144192 Beijing XINHUA in English
1354 GMT 12 Jul 92

[Text] Shijiazhuang, July 12 (XINHUA)—Qinhuangdao city, an open coastal city, signed 97 contracts using foreign funds involving a total investment of 627 million U.S. dollars in the first half of this year.

The city, in north China's Hebei Province, approved 52 foreign-funded enterprises with a total investment of 574 million U.S. dollars, and 11 of them were in the service sector with 398 million U.S. dollars.

The investments increased by 69.3 and 73.7 percent respectively over the same period of last year.

The service sector has played an important role in the city's economic development. Statistics show that the total output volume of the service sector accounted for 40 percent of the city's gross domestic product last year.

In the past years, more foreign investors poured their funds into the tourist trade in the city which has over 260 tourist spots and receives more than 6 million overseas and domestic visitors every year.

With an investment of 150 million U.S. dollars from Japan, the Changcheng (Great Wall) Playground, covering a total space of 2.65 sq km will be built up. In addition, six companies from Hong Kong and Macao will jointly build up a seaside garden village, covering a total space of 2.9 million sq m [meter].

At the same time, the real estate, transportation, and catering trades in the city have been developed with more foreign investment in recent years.

Shanxi High-Tech Development Zone Takes Shape

*OW1307095292 Beijing XINHUA in English
0935 GMT 13 Jul 92*

[Text] Taiyuan, July 13 (XINHUA)—The Taiyuan High-Tech Industrial Development Zone in north China's Shanxi Province has recorded major achievements during one year of operation.

Some 111 firms recently participated in an exhibition which showcased more than 230 technological and scientific projects related to energy, electronics, information processing, machine-building, laser technology, environmental protection, energy saving, and chemicals.

The zone's total income from industrial production and trade is expected to exceed 200 million yuan (about 40 million U.S. dollars) during 1992.

Shanxi Province is a major production base for energy, chemical and heavy industries, and the Taiyuan High-Tech Industrial Zone has placed priority on deepening reform and readjusting production structure in line with provincial characteristics. The zone has concentrated on upgrading equipment used in coal mining, as well as in the telecommunications, testing, transportation, storage and product distribution systems.

The Taiyuan South Worth Elevator Co., a China-U.S. joint venture, has developed 96 products which have sold well in 26 Chinese provinces and municipalities, and has been exported to the United States, Japan and Australia.

Tianjin Development Zone Attracts More Investment

*OW0507140492 Beijing XINHUA in English
1348 GMT 5 Jul 92*

[Text] Tianjin, July 5 (XINHUA)—The Tianjin Economic Development Zone in Tianjin, northern China, is attracting an increasing number of foreign businessmen.

In the first six months of this year, 132 foreign-funded enterprises, representing an investment of 340 million U.S. dollars, were approved to be set up in the zone.

There are now 470 foreign-funded enterprises in the zone and the total investment is 930 million U.S. dollars.

Economic experts note that foreign investment is moving into the Tianjin Economic Development Zone from southern China.

They say there are two reasons for this. First, the cost of labor in southern China is higher. Secondly, the technology and professionalism of northern China remains untapped.

In addition over the past decade Tianjin has created a sound environment for foreign investment.

Tianjin has a unique geographical location and a long history in economic development.

Yan Zheng, director of the Administration of Industry and Commerce of Tianjin Economic Development Zone, said that foreign investment is larger this year. Of the foreign-funded enterprises approved so far, five are worth more than 10 million U.S. dollars each, while a further 20 total more than 5 million U.S. dollars apiece.

He said that there are about 100 projects with foreign investment of over 3 million U.S. dollars.

About a quarter of the enterprises are engaged in the development of high and new technology.

Commercial Radio Begins Operation in Tianjin

*OW0607040392 Beijing Central People's Radio
Network in Mandarin 2230 GMT 5 Jul 92*

[From the "News and Press Review" program]

[Text] Tianjin Commercial Radio Station, a commercial radio station combining information, service, knowledge, and entertainment that broadcasts all day long and is constantly accessible via hotlines, begins transmission today [6 July].

The station will broadcast for 15 hours and 10 minutes a day. News, digests, and information will be interspersed in the nine Chinese music programs and aired live by hosts.

Northwest Region

Qinghai Secretary at Inspection Report Meeting

*HK1307062292 Xining Qinghai People's Radio
Network in Mandarin 2300 GMT 1 Jul 92*

[Text] Eleven inspection teams dispatched by the provincial party committee to inspect party style and clean government building work as well as housing problem rectification work have wound up their inspection work in some areas and units.

On 29-30 June, the provincial party committee convened a meeting at which all the inspection teams reported on their work. In a little more than one month starting 15 May, the 11 inspection teams inspected more

than 40 counties and city districts in six autonomous prefectures, one prefecture, and one city as well as in more than 70 units directly affiliated to the provincial authorities as regards the work of implementing the spirit of the Sixth Plenary Session of the 13th CPC Central Committee and the Qinghai Provincial CPC Committee Opinions on Implementing the Spirit of the Sixth Plenary Session of the 13th CPC Central Committee as well as the party style building, the clean government building, the professional malpractices rectification, and the housing problem rectification work.

The reports showed that party organizations at all levels across the province have placed party style building and clean government building work high on their agendas, adopted numerous practical and effective measures, and made more headway with party style building and clean government building work. Thanks to the growing importance attached and forceful measures adopted by various areas and units concerned, the provincewide housing problem rectification work has been going on smoothly over the past few years, has attained desired results, and can now wind up.

The inspection teams not only conducted inspection and supervised work in the aforementioned areas and units but also helped the grass-roots level solve a large number of problems and reported some of those problems to the provincial authorities.

Yin Kesheng, provincial party committee secretary; Tian Chengping and Jin Jipeng, provincial party committee deputy secretaries; and Cai Zhulin, provincial party committee standing committee member, presided over the two-day report meeting in turn.

Doba, Ma Wanli, Bainma Dandzin, La Bingli, and Han Yingxuan as well as members of the provincial party committee leading group for party style building and clean government building work and members of the provincial housing problem rectification leading group listened to reports made by the inspection teams.

Yin Kesheng, Tian Chengping, Doba, and other leaders also delivered speeches after listening to the reports. In their speeches, they called for redoubling efforts to step up party style building and clean government building work in the course of the deep reform and opening up, saying that successful party style building and clean government building work will enable the broad masses of party members and cadres to withstand the test of reform and opening up and more competently push forward reform and opening up. The party style building and clean government building work must persistently serve and submit to economic construction, reform, and opening up. While carrying out party style building and clean government building work, all comrades concerned must actively study new questions, be bold in supporting provincewide reform and opening up, brace up, and arouse enthusiasm of cadres and masses to infuse new vitality into provincewide economic construction, reform, and opening up.

Shaanxi Secretary Addresses CPC Congress

HK1307062492 Xian Shaanxi People's Radio
Network in Mandarin 0030 GMT 2 Jul 92

[Text] The Shaanxi Provincial CPC Congress successfully wound up yesterday afternoon after fulfilling its agenda.

[Provincial Governor] Bai Qingcai, provincial party committee deputy secretary, presided over yesterday afternoon's closing ceremony.

Provincial party committee Secretary Zhang Boxing delivered a speech.

Zhang Boxing, Bai Qingcai, An Qiyuan, Liang Qi, Zhi Yimin, Zhao Huanzhi, Chen Andong, Li Huanzheng, and Wang Yucai, provincial party committee standing committee members, were seated at the rostrum.

The deputies attending the congress held: The congress was at once a fully successful meeting which further emancipated minds, boosted morale, enhanced confidence, sought truth, pushed forward overall provincial work, developed democracy, drew on collective wisdom, absorbed all useful ideas, pooled wisdom and efforts of all, and discussed and mapped out a grand plan for Shaanxi's further development, and also a grand mobilization rally which succeeded in mobilizing all cadres and masses across the province to work hard, forge ahead, make vigorous efforts, and strive to achieve provincewide prosperity and push provincewide economic construction onto a new stage.

All the deputies pledged to further emancipate minds, update concepts, ward off interference of left ideology, work in a down-to-earth manner and in real earnest, strive to push provincewide economic construction onto a new stage, and attain all goals listed in the Eighth-Five Year Plan and the 10-Year Program as soon as possible.

Zhang Boxing pointed out in his speech: To push provincewide economic construction onto a new stage is at once an arduous economic task and an important political task as well. To attain the goal, we must mobilize the entire party membership as well as people all over the province, unify both ideology and action of some 1.6 million party members and 33 million people across the province with the goal of pushing provincewide economic construction onto a new stage, thus enabling everyone to air views, advance proposals, make efforts, and contribute to a provincewide economic takeoff. To this end, we must first and foremost relay and implement the spirit of the current congress, make known to every household all the concrete goals, tasks, and measures aimed at pushing provincewide economic construction onto a new stage, and waste no time in working out goals and plans for pushing economic construction of various local areas onto a new stage and formulating concrete measures for attaining relevant goals and implementing relevant plans.

Zhang Boxing went on: Now that the central authorities have formulated clear-cut principles while the provincial authorities have also mapped out a grand plan, we must make painstaking and redoubled efforts to attain the grand goal of pushing provincewide economic construction onto a new stage in the 1990s. To achieve this, we must brace up, carry out work in a down-to-earth manner, and strive for actual results. We must resolutely overcome and straighten out such emotions as complaining about both heaven and man as well as pessimistic attitudes and a state of inertia, brace up in real earnest, enhance confidence, forge ahead in spite of difficulties, resolutely overcome and rectify such an erroneous style as sitting and talking in the office without doing anything substantive, and carry out work in real earnest and in a down-to-earth manner.

Zhang Boxing emphatically maintained: We must further strengthen unity and join hands in pushing forward a great cause of rejuvenating Shaanxi. At present, we are confronted with numerous difficulties and arduous tasks. To further strengthen unity, particularly unity within leadership cores at all levels, constitutes a key link in pushing provincewide economic construction onto a new stage. Therefore, we should trust, show understanding for, support, join hands with, and share weal and woe with each other and form a unified collective force in accordance with the party's democratic centralism: principle to bring about a comfortably well-off livelihood and push provincewide economic construction onto a new stage.

Zhang Boxing concluded his speech by saying: So long as party members, cadres, and broad masses of people across the province unite more closely, continue exploratory work, forge ahead, and carry out tenacious work, we will certainly be able to attain our goal and eradicate Shaanxi's backwardness. Thus we should stand up with full confidence to greet an earlier arrival of this day.

Xinjiang Congress Standing Committee Meets

*OW1307020492 Urumqi Xinjiang Television
Network in Mandarin 1655 GMT 10 Jul 92*

[From the "Xinjiang News" program]

[Text] The 27th session of the Standing Committee of the Seventh Xinjiang Autonomous Regional People's Congress began today. Today's meeting was presided over by Standing Committee chairman Amudun Niyaz.

Today's meeting first approved the 27th session's agenda, which included: Examining the draft revision to the autonomous region's regulations on protecting elderly people's legitimate rights and interests; examining the revision to the autonomous region's regulations on lawyers carrying out their duty; examining the draft revision to the autonomous region's regulations on eliminating illiteracy; examining the autonomous region's draft regulations on protecting and developing the post and telecommunication industry; examining and approving provisional regulations on the management of

Urumqi's cultural market; hearing and examining the autonomous regional government's report on implementing the land management law, the grasslands law, and the forestry law, as well as a report on how the comprehensive agricultural development project had been carried out; hearing a report by the inspection group of the regional people's congress standing committee on the inspection and investigation of the implementation of the land management law, the grasslands law, the forestry law, and comprehensive agricultural development project; hearing a report by the inspection group of the regional people's congress standing committee on the inspection of border trade work in Guangxi, Yunnan, and northeast China; and discussing personnel appointments and removals.

Today's meeting heard a report by Yusufu Muhanmode, vice chairman of the Xinjiang Autonomous Regional Government, on the implementation of the land management law, the grasslands law, the forestry law, and the comprehensive agricultural development project; heard a report by Xu Peng, vice chairman of the autonomous regional people's congress standing committee, on the inspection and investigation of the implementation of the land management law, the grasslands law, the forestry law, and the comprehensive agricultural development project; heard a report by Zhang Sixue and (Abula Yufu), both vice chairmen of the regional people's congress standing committee, on the inspection of border trade work in Guangxi, Yunnan, and northeast China; heard an explanation by (Abudu Hadir Umaier), vice chairman of the Legal Affairs Committee of the autonomous regional people's congress standing committee, on the revision to the autonomous region's draft regulations on protecting elderly people's legitimate rights and interests, and his explanation on the revision to the autonomous region's draft regulations on lawyers carrying out their duties; heard an explanation by (Shadir Kader), vice chairman of the autonomous region's education commission, on the draft revision to the autonomous region's regulations on eliminating illiteracy; heard an explanation by (Zhao Guoyu), director of the autonomous region's posts and telecommunications bureau, on the autonomous region's draft regulations on protecting and developing the post and telecommunication industry; and read a written report by the Legal Affairs Committee and the Education, Science, Culture, and Health Committee of the regional people's congress standing committee on the examination of the provisional regulations on the management of Urumqi's cultural market.

Among those attending today's meeting were vice chairmen of the regional people's congress standing committee, including Sawdanov Zayir, Zhang Sixue, Mahinur Kasim, (Shi Gang), Saersibik Istik, Ma Mingliang, Kurban Ali Usfanov, Abdurehim Litip, Xu Peng, and (Abula Yufu). Present at today's meeting as observers were Yusufu Muhanmode, vice chairman of the Xinjiang Autonomous Regional Government; (Lu Qianxu), vice chairman of the Xinjiang Autonomous

Regional Committee of the Chinese People's Political Consultative Conference; Kurban Rozi, president of the Xinjiang Autonomous Regional Higher People's Court;

Mijiti Kurban, chief procurator of the Xinjiang Autonomous Regional People's Procuratorate; as well as responsible comrades of departments concerned.

Mainland Fishermen Said To Fire on Fishing Boat*OW1207135692 Taipei China Broadcasting Corporation
News Network in Mandarin 2300 GMT 11 Jul 92*

[From the "Hookup" program]

[Text] At 1359 yesterday the Keelung-registered (Hsinhuakuo-12) was fired upon by two mainland iron-hulled fishing vessels of unknown origin while operating in waters off Pengchiayu. The shooting damaged a spot light but caused no casualties.

(Hsinhuakuo-12) sent a distress call to the navy, which immediately dispatched warship No. 827 to rescue it. At 1445 it seized the mainland vessel (Hsiakung-2). There were 28 mainlanders onboard, two of whom were public security personnel. According to the findings of a preliminary interrogation, the ship's crew admitted they had chased our fishing vessel, but denied having fired upon it.

During the pre-dawn hours today, Marine Security Squad No. 7 sent a speedboat to escort the mainland crew to Pier No. 16 on the eastern coast of Keelung for interrogation by port police officers.

It is understood that 40-year-old (Chen Lung) wore the uniform of a mainland public security officer. The police also found a type 56 rifle, a pistol, and 158 bullets on the iron-hulled vessel.

MAC To Wait for Investigations*OW1307081992 Taipei CNA in English
0743 GMT 13 Jul 92*

[Text] Taipei, July 13 (CNA)—The Mainland Affairs Council (MAC) won't comment on the "Xiangongji No. 2" incident until police and judicial authorities complete investigations on the case, a ranking official said Sunday.

MAC Chairman Huang Kun-hui was commenting on the incident involving a mainland Chinese customs cutter, the Xiangongji No. 2, which was brought to the Keelung Harbor by a Republic of China [ROC] naval vessel over the weekend after it shot at a Taiwan fishing boat in waters off northeastern Taiwan coasts.

The 32 mainlanders aboard the mainland customs boat are currently detained at the Keelung Harbor Police Bureau for questioning.

Huang said the MAC will respect whatever decisions police and judicial authorities may reach on the incident.

Prosecution authorities will decide whether to indict the mainland customs officers aboard the Xiangongji No. 2 for opening fire at the Keelung-based fishing boat Hsin Hua Kuo No. 12 after their investigations are completed, Huang explained.

If the prosecutor's office finally decides not to indict the mainland officers, Huang said, the MAC will then study how to send back the mainland vessel and its crew.

MAC Vice Chairman Kao Kung-lien said the identity of the mainland vessel needs further checks as its name is not printed on its body but instead on a removable wooden plaque.

Some plain-cloth people aboard the ship claimed that they are mainland's customs and public security officers. Kao said law enforcement authorities need some time to determine their identities because they did not wear uniforms when intercepted by the ROC naval patrol ship late Saturday night.

Three mainlanders—one said he is a security officer and two said they are customs officials—told Keelung Harbor police that the whole incident was a misunderstanding. They said they mistakenly opened fire at the Taiwan fishing boat, thinking it was smuggling cigarettes.

They said 10 of the detained mainlanders were caught earlier on a mainland fishing boat smuggling 800 cases of cigarettes.

An initial investigation found that the Taiwan fishing boat was not involved in any smuggling operations, Keelung Harbor police said.

At least four light bulbs of the Hsin Hua Kuo No. 12 were shot broken during the incident, but none of the fishermen on board was injured.

ARATS Refuses Cooperation on Cash-for-Land*OW1107232192 Taipei China Broadcasting Corporation
News Network in Mandarin 2300 GMT 10 Jul 92*

[From the "Hookup" program]

[Text] In a reply to the Foundation for Exchanges Across the Taiwan Straits [FEATS] yesterday, the Association for Relations Across the Taiwan Straits [ARATS] refused to coordinate with Taiwan's operation of announcing through mainland media that Taiwan would pay its ex-servicemen with cash in lieu of land.

Ma Ying-chiu, deputy director of the Mainland Affairs Committee, said that he deeply regrets that ARATS has refused to run Taiwan's announcements through the mainland media. Hsu Hui-you, director of the FEATS Law Department, indicated that operations for paying the ex-servicemen would continue according to plan. He said that, since 1 July, FEATS has publicly announced (the method) recipients on the mainland may register to obtain their cash payments.

According to estimates, about 110,000 ex-servicemen will be eligible for the compensation and approximately NT [New Taiwan] \$6 billion will be needed for the project. To accomplish this project, FEATS decided to notify all eligible recipients on the mainland by means of public announcements, and so it requested ARATS to assist it in running announcements through the mainland media, to authenticate relevant documents produced by ex-servicemen's inheritors, and to distribute cash. ARATS pointed out in its reply, however, that it was told

by mainland's relevant authorities that the announcement is not in line with relevant regulations and therefore, it cannot help.

Observers: Deng Yingchao Death May Hurt Li Peng
OW1307083292 Taipei CNA in English
0750 GMT 13 Jul 92

[Text] Taipei, July 13 (CNA)—The death of Deng Yingchao, widow of the late mainland Chinese Premier Zhou Enlai, may change the political scene in Peking and the political future of Premier Li Peng, observers in Taipei said Sunday.

Deng, who died of illness Saturday at the age of 88, had been a strong supporter of Li, her adopted son since childhood.

Deng, who joined the Chinese Communist Party in the early 1910s, had assumed important party and governmental posts, including chairperson of the communist Chinese People's Political Consultative Conference, vice chairperson of the National People's Congress, member of the Chinese Communist [as received] Central Committee and Political Bureau.

The observers said Li Peng is one of the prominent hardliners who are opposed to political reform, as can be seen from his role in the brutal suppression of student-led pro-democracy movement since 1988 in Peking.

Li Peng, who is not an ardent supporter of the economic reform drive initiated by paramount Peking leader Deng Xiaoping, enjoys the support of other senior Peking leaders, the observers said.

Deng Yingchao was one of the "eight seniors," who have controlled communist Chinese politics behind the scene. The eight are Deng Xiaoping, Chen Yun, Yang Shangkun, Li Xiannian, Bo Yibo, Deng Yingchao, Wang Zhen, and Peng Zhen. Li Xiannian, who died last month, was also a strong supporter of Li Peng.

Li Peng might be deprived of his premiership after the death of Deng Yingchao and Li Xiannian, unless he begins to support Deng Xiaoping's reform policy, the observers said.

The observers said the deaths of Li, Deng, and two other prominent Peking leaders this year might cause a political upheaval in Peking. Wang Renzhong, a vice chairman of the political consultative conference, died in March, and Nie Rongzhen, the last "field marshal" of the communist Chinese Liberation Army, died in May.

They recalled that the "Gang of Four" incident occurred in Peking in October, 1976, a few months after the deaths of Zhou Enlai, Marshal Zhu De, and Mao Zedong.

The deaths of Deng Yingchao and three other Peking leaders this year will certainly affect the outcome of the

14th Communist Chinese people's congress to be held later this year, the observers added.

LIEN HO PAO on Dispute Over Spratlys
OW1207200792 Taipei LIEN HO PAO
in Chinese 3 Jul 92 p 2

[“Editorial: ‘The Two Sides Should Have the Same Understanding About the Sovereignty Over the Islands in the South China Sea’”]

[Text] The Third South China Sea Conference closed yesterday after the representatives of the relevant countries spoke concerning their sovereignty over the islands in the South China Sea. Although the conference itself stressed that it was a nongovernmental academic conference, it nevertheless showed that the disputes concerning the sovereignty of the islands in the South China Sea have become exacerbated. The future development of the disputes certainly will have an impact relations between China and other countries, as well as on the stands of the two sides over the disputes. Now that the conference is over, it appears that it is important for the two sides to establish a common understanding on this issue.

It is an undeniable fact that all the islands in the South China Sea have always been China's territory. However, following their independence after World War Two, littoral states by the South China Sea—first the Philippines, then Vietnam and Malaysia, and finally Brunei—have also asserted their respective sovereignty over the islands, giving rise to the disputes concerning sovereignty over the islands. With the exception of Brunei, the other three countries—the Philippines, Vietnam, and Malaysia—have sent troops to some of the Nansha [Spratly] islands and have turned those islands into military bases, creating a confrontational situation between garrison troops which the Republic of China and the Chinese Communist authorities have stationed on some of the islands. The whole situation has now become even more complex. The military conflict between the Chinese Communists and Vietnam has attracted worldwide attention.

Countries in the region used to pay little attention to those small, remote islands which are infertile and economically insignificant. Following the development of international trade and communications over the last several decades, the South China Sea has become one of the main waterways for international trade. As a result of the progress achieved in marine science and technology and in prospecting for marine resources, the vast South China Sea has gradually become a belt with potentially rich oil resources waiting to be tapped. In fact, all littoral states by the South China Sea now have a tacit understanding when they have become increasingly vociferous in asserting their sovereignty over the South China Sea: They all want to share a part of the seabed resources there. That is why, when the Chinese Communist authorities signed an accord with a U.S. oil company to

start prospecting for oil in the South China Sea, the response of all these countries, especially Vietnam, was so strong.

Following the military conflict between the Chinese Communist authorities and Vietnam in the South China Sea several years ago, Indonesia, the ruler of South Borneo, has taken over the role of mediating the international disputes as a third party, even though Indonesia has never been involved directly in disputes over the islands. Its basic intent and way of mediation are exactly the same as those it employed in mediating the Cambodian war over the last several years. By mediating the Cambodian war, Indonesia has elevated its international status in Southeast Asia and brought itself closer to Vietnam. In addition, by mediating the disputes over the islands in the South China Sea, Indonesia hopes it can involve itself in the disputes indirectly and reap some benefit as a middleman. It also hopes it can serve as a bridge between the Chinese Communists and Vietnam and bring the two closer together. Indonesia's biggest hope is that it can serve as an indispensable mediator in the disputes.

For this reason, Indonesia sponsored two international meetings during the past two years in an effort to seek a way and basis for settling the disputes. Beginning 29 June, Indonesia hosted the third conference in Johjakarta. In addition to the most sensitive issues concerning territory and jurisdiction, other items on the agenda included the management of resources in the South China Sea, shipping and communications, the environment and ecology, scientific research, and international cooperation. As for territory and jurisdiction, the representatives attending the meeting simply used the forum to state their respective stands. As for other issues, such as those concerning the establishment of an international organ of cooperation to protect the local environment and ecology, conduct scientific research, and control international shipping and communications, the meeting failed to make any significant headway because of the disputes concerning sovereignty.

Now the conference is over. With regard to the situation in the South China Sea as a whole, the discussions at the conference can only be regarded as exploratory. A genuine accord and settlement of relevant issues cannot be achieved without protracted explorations and negotiations. Solutions cannot be achieved within a short time. This being the case, how to ensure China's sovereignty over the South China Sea islands through international cooperation and coordinating the interests of the relevant littoral states should become the most important objective which the two sides of the strait should strive to attain during future international consultations and negotiations.

Because of this requirement, representatives from the two sides must take the same stand and take the floor with the same objectives on issues concerning sovereignty over the territory in that region when they attend all large, small, official, and nonofficial international

conferences concerning the islands in the South China Sea. The situation confronting the two sides today resembles one of two brothers who, though living separately, still own some common property; and if any third party casts a covetous eye on their property, they must work together to protect it lest it should be infringed upon. Fortunately both sides of the strait now uphold the one China principle, and both sides stand for peaceful reunification. Such being the case, we should first realize the one China concept and create a good precedence on the islands of the South China Sea, in which the two sides face the same situation and share the same vital interests.

The third South China Sea Conference has closed. The meeting shows that disputes on the sovereignty over the islands in the South China Sea has entered a new stage. To consolidate China's sovereignty over the South China Sea islands, the garrison troops of the Republic of China and the Chinese Communists on the islands should put an end to their hostilities and cooperate to protect the two sides' shipping and ocean-going fishery operations. When necessary, the two sides should cosponsor an international meeting to discuss relevant issues. As long as we can do this, the two sides' cooperation in conducting oceanographic studies and in prospecting seabed resources will be a matter of course.

Vietnam Hopes To See Direct Air Service

OW1107092292 Taipei CNA in English
0750 GMT 11 Jul 92

[Text] Hanoi, July 10 (CNA)—A ranking Vietnamese official said Friday that his government would like to see direct air flights between Vietnam and Taiwan "at an earliest possible date."

Pham Van Danh, director of the International Relations Department of the Ministry of Transportation and Communications, said such flights will boost trade and economic cooperation between the two countries as well as the development of Vietnam's tourism industry.

Pham pointed out that his ministry issued a flight license to Eva Air of Taiwan early this month, on condition that Eva first obtains a permit from Taiwan's aviation authorities.

Currently between 4,000 and 6,000 Taiwan people visit Vietnam every month, accounting for 40 to 50 percent of the total tourist arrivals in the Indochinese country, Pham reported.

Moreover, the number of Taiwan visitors is rapidly growing, indicating that the Taiwan-Vietnam air route will definitely be lucrative, he commented.

Asked when the air service will begin, Pham said "It is completely up to Taipei."

"We hope the disputes between your airlines will be settled quickly so that Vietnam's Pacific airlines can fly to Taiwan soon," he added.

In Taipei, officials agreed that it would be in the best interest of the Republic of China [ROC] to resume direct air links with Vietnam as soon as possible.

They said China Airlines (CAL), the country's flag carrier, should be given the priority to fly the Vietnam route.

However, they admitted that Hanoi welcomed Mandarin and Eva Airlines to fly the route, and agreed to CAL flying to Vietnam only after being requested by the government.

The officials said the Ministry of Transportation and Communications will negotiate again with the Vietnamese as soon as possible to resume the service called off last summer by Hanoi under pressure from Peking.

Government Mission To Visit SRV

OW1307084292 Taipei CNA in English
0800 GMT 13 Jul 92

[Text] Taipei, July 13 (CNA)—A delegation of government officials and airline executives will leave for Vietnam soon for the opening of direct flights between Taipei and Vietnam's economic capital Ho Chi Minh City, a ranking official said over the weekend.

Some technical problems have hindered the opening of direct flights between Taiwan and Vietnam, noted the spokesman for the supraministerial task force to promote relations with the Indochinese country.

Vietnam has agreed to allow Taiwan's EVA Air and Mandarin Airline to operate direct Taipei-Ho Chi Minh City flights, but the Republic of China [ROC] insists that its national flag-carrier, China Airlines (CAL), be allowed to fly the route first.

Vietnam previously reached an agreement with CAL on the opening of direct flights between the two countries, but unilaterally suspended the air links last August. CAL was twice forced to cancel its scheduled flights to Ho Chi Minh City last year.

The official reported that Vietnam has recently agreed to consider permitting CAL to fly the Taiwan-Vietnamese route.

For overall national interests, the official said, the government will allow CAL to operate Taiwan-Vietnamese flight services first and other airlines will then be allowed to follow suit.

The Ministry of Transportation and Communications will organize a mission, consisting of civil aviation administrators and airline representatives, to visit Vietnam soon to pave the way for CAL and other ROC carriers to fly to that country, the official said.

Aviation officials are reportedly anxious to finalize an agreement with Vietnam on the establishment of direct air links as several Asian airlines have started profitable flight services to Vietnam.

The supraministerial task force met over the weekend to study ways to boost substantive relations with Vietnam. The ROC is planning to open representative offices in Hanoi and Ho Chi Minh City in the near future.

SRV Chamber of Commerce To Set Taipei Office

OW1107092792 Taipei CNA in English
0744 GMT 11 Jul 92

[Text] Hanoi, July 10 (CNA)—Vietnam's National Chamber of Commerce and Industry will soon establish an office in Taipei in order to strengthen trade and economic ties between the two countries, a ranking chamber official said Saturday.

The official told the Central News Agency that the secretary general of the chamber will visit Taipei in late August to prepare for the establishment of the office.

If possible, the chamber's Taipei office will be separate from the proposed Vietnamese Economic and Cultural Office in Taipei, he said.

But due to financial problems, the chamber may share an office space with the Economic and Cultural Office in the initial stage, he added.

Officials on Likelihood of Employing SRV Workers

OW1307084492 Taipei CNA in English
0804 GMT 13 Jul 92

[Text] Taipei, July 13 (CNA)—The Republic of China [ROC] may employ workers from Vietnam in the near future, according to an official of the ministry of foreign affairs.

The official said that the ROC will employ foreign workers only from countries with friendly relations with the ROC and only when there is demand for foreign workers in the domestic labor market.

An official of the council of labor affairs commented that at the moment there is no need to employ vietnamese workers.

Taiwan has already hired workers from the Philippines, Malaysia, Indonesia and Thailand.

Vice Foreign Minister Visiting Baltic Nations

OW1107092992 Taipei CNA in English
0755 GMT 11 Jul 92

[Text] Taipei, July 11 (CNA)—Vice foreign Minister Fang Chin-yen is visiting Latvia Saturday on the first leg of his trip to the three Baltic nations.

Fang will call on Latvian officials to exchange views on how to strengthen cooperation between the two nations. Taiwan and Latvia signed an economic cooperation memorandum earlier this year.

Before arriving in Latvia, the vice minister has visited Italy, the Holy See and Finland. Fang will preside over a meeting of Republic of China [ROC] diplomats in Europe on July 18 in Belgium.

Hong Kong

Patten Defuses Protestor-Police 'Confrontation'

HK1307005092 Hong Kong SOUTH CHINA
MORNING POST in English 13 Jul 92 pp 1, 10

[By Jimmy Leung]

[Text] Eighteen people—including 14 policemen and a boy—were hurt yesterday when about 100 husbands of mainland women mobbed a police barricade near Government House.

Children caught in the mob screamed for their parents.

The tense confrontation between about 400 men, women and children and police was defused when the Governor, Mr Chris Patten, came out of his official residence at about 1.15 pm and accepted a letter from the protesters.

Officers had set up a cordon at the bottom of the Upper Albert Road flyover to prevent the men, who are appealing for their wives to be allowed into the territory, from approaching Government House.

The police action was ordered apparently because the protesters had suddenly changed the route of their procession.

Their march began from the Immigration Department headquarters in Wan Chai at 11 am.

After walking from Cotton Tree Drive they were stopped at Upper Albert Road by police who said they had breached the approved route.

The protesters were supposed to march from Gloucester Road in Wan Chai to the Government Secretariat in Central.

Scores of policemen formed a double cordon.

Trouble erupted at 12.39 pm when a group of men became impatient and began pushing their way through the police lines.

Scuffles broke out as the struggling intensified and the crowd swirled across the street.

One eight-year-old boy was among the 18 taken to Queen Mary Hospital for treatment to minor injuries.

Fourteen police and three men from the march were treated and released.

A constable from the Police Tactical Unit (PTU) was seen bleeding from his forehead.

Colleagues applied first aid outside the entrance of the Zoological and Botanical Garden before he was taken to hospital.

The protesters managed to break through the police line and sat down outside Government House, waving banners and small flags, demanding early resettlement in Hong Kong of their mainland wives.

Some angry petitioners claimed police had beaten petitioners.

"Police have beaten up young children," they said.

Another man, who claimed a six-year-old child had been assaulted, had taken down several numbers of policemen he said were responsible.

Two men collapsed outside Government House and some of the protesters encouraged photographers to take pictures of them before they were taken to ambulances.

Protest leader Mr Ma Shiu-fai claimed it was unreasonable for police to use violence on the petitioners, some of whom were children.

"Part of our fund-raising campaign is to gather money so that we can take legal action against police," he said.

Another man said the group would complain to the Complaint Against Police Office (CAPO) about the incident.

Police divisional commander in Central, Superintendent Barry Griffin, declined to comment.

"I am waiting for a full report (on the incident) to see who is responsible," he said.

Hong Kong Island deputy regional police commander, Chief Superintendent Lionel Lam Kin, said the crowd had not followed the approved procession route when it marched from Wan Chai.

"I telephoned Mr Ma telling him that next time they should follow the permitted route and that he should assign some people as marshals to maintain order throughout the procession," Mr Lam said.

Mr Ma told the crowd that there would be an overnight sit-in outside the Legislative Council chambers tomorrow.

The men, some of whom have seen their illegal immigrant wives being repeatedly repatriated, had occupied the eighth floor of the Immigration Department since last Tuesday.

Reportage Views Patten's Stance on Various Issues

'Side-Stepped' Question on Airport

HK1107024592 Hong Kong SOUTH CHINA
MORNING POST in English 11 Jul 92 p 3

[By Fanny Wong]

[Text] The Governor, Mr Chris Patten, is hopeful that a meeting of the Sino-British Joint Liaison Group's Airport Committee will be able to make some progress.

However, Mr Patten side-stepped a question on whether he needed to go to Beijing in person to sort out the problems on the financing of the airport infrastructure scheme.

Speaking at his maiden meet-the-media session at Government House yesterday, he said: "I'm sure that the issues that have been discussed on the airport will be resolved in due course in the Airport Committee."

"I think that the Airport Committee will be meeting again later in the week to take matters forward and I hope that it reaches some satisfactory conclusions as soon as possible."

While no date has yet been announced for the Airport Committee meeting, it is understood it is now scheduled for Thursday [16 July].

It is also understood to be the first formal meeting on the subject.

Despite the Governor's hopes, privately both Chinese and British officials are understood not to be optimistic that next week's discussions will produce any substantial results.

But Mr Patten said: "It is in all our interests that we make progress as soon as we can on the airport. To allow things to slip isn't a cost-free option."

"What's important is to have agreements that work and allow us to move forward steadily as soon as that is possible."

As yet undecided on the timetable of a possible China trip, Mr Patten said he would want to talk to Executive Councillors and other members of the community about the most appropriate time for it.

"I want to have good working relationships with officials in the PRC (People's Republic of China) and will of course visit the PRC when it seems suitable," he said.

Parrying a question on whether there had been too much interference from China in Hong Kong affairs, Mr Patten instead underlined the unique partnership between the two sides in making the Joint Declaration work.

"I am sure that we can find a creative partnership while recognising our different, if joined, responsibilities," he said.

On the legislative front, Mr Patten confirmed that he was considering instituting some form of fairly regular "question time" in the assembly and would pursue how best it could be done with Executive and Legislative Councillors.

The Governor reaffirmed he would take at least two months to consult Hong Kong people on composition of both the Executive and Legislative Councils.

Referring to his swearing-in speech, where he said that ultimate responsibility for political leadership rested with him, Mr Patten said emphatically: "Yes, it does mean that the buck stops here."

"I have to take the responsibilities that go with the office of governorship. I have to take the responsibilities for providing leadership in this community."

Mr Patten said he would be setting out in greater detail his agenda for the future in his maiden policy address in October.

Meanwhile, a vice-director of the local branch of the New China [XINHUA] News Agency, Mr Zheng Hua, said the Governor's speech was a "good and sensible" one, especially his commitment to strengthening Sino-British co-operation to make the "one country, two systems" policy work.

Gives Mainland 'Thinly-Veiled Warning'

HK1107031192 Hong Kong THE STANDARD
in English 11 Jul 92 pp 1, 3

[By Michael Weeks]

[Text] Governor Chris Patten has expressed faith that Hong Kong's future can be secured during the next five years.

At the start of his first full day in office, Mr Patten said the unique partnership between Britain and China in making the Joint Declaration work and ensuring the implementation of the one country, two systems concept had to be recognised.

"I'm sure that we can find a creative partnership while recognising our different, if joined, responsibilities," he said.

The Governor made clear that shared responsibility did not extend to Executive Council appointments.

In a thinly-veiled warning to China, he said: "They are matters for me and I'm sure that is widely recognised, not least by all those who take an active interest in the way that Hong Kong is governed."

Mr Patten said he hoped that as people saw what he stood for, they would understand that it was "very sensible" to work in co-operation with him.

"I begin from the assumption that we want to make the Joint Declaration...work as successfully as we can, and that involves trust," he said.

He said he would hold regular press briefings and that he would "try to institute some form of fairly regular 'question time' in the Legislative Council".

"I want to ensure that our existing institutions work effectively and vigorously...supporting the leadership which I will be giving on behalf of the people of Hong Kong," he said.

Mr Patten said he would discuss the composition of the Executive and Legislative councils with community leaders.

Mr Patten said he had no fixed views on the issue at the moment, but would be "extremely specific once I speak to the Legislative Council in October".

The Governor said the ultimate leadership responsibility rested with him.

"The buck stops here," he said.

He said over the next few weeks he would spend a lot of time with the police and security forces.

He wanted to learn first hand how to "strengthen our fight against crime, particularly violent crime".

The Governor said he was pleased to have started work in earnest.

"I want to lead the community in partnership with those who share my aims.

"I want to build as much understanding across the community as possible, but at the end of the day it is my job to ensure that Hong Kong is as well governed as possible."

Links Mainland Support, Project Go-Ahead

HK1207025492 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 12 Jul 92 pp 1, 2

[By Political Correspondent Danny Gittings]

[Text] Governor Mr Chris Patten will warn Beijing that projects spanning 1997 will not go ahead unless it gives its blessing.

Mr Patten said he did not want to waste time on schemes which would be scrapped after five years, in a statement with potential implications for the new airport project.

"I don't want to spend my time on a lot of hassles on big projects if we can't get agreement," he said.

While Mr Patten said he had no doubt the new airport would be built, he made clear—using tennis terms—the initiative was with Beijing.

"If the ball doesn't come over the net you can't hit it back," the Governor said.

"We've got to say to our colleagues in the PRC this is what we intend to do... but candidly I don't want to get stuck into this if you're going to then pull the plug on it.

"If you embark on big-capital expenditure projects which go well beyond 1997... you've got to make pretty sure that the Government after 1997 will be committed to those priorities as well."

He refused to rule out personal intervention, or even visiting Beijing, to break the airport deadlock, but said he would much prefer to see it resolved through the Airport Committee, which meets on Thursday [16 July].

"I have absolutely no doubt at all that the airport will be built... because everybody actually knows that it is in the interests of Hong Kong," Mr Patten said.

"I'm not screaming from the rooftops about it, but let's get on with it, and not have the Airport Committee bogged down in arguments."

His comments came in a Sunday Morning Post interview before he met his 15 policy secretaries at Government House yesterday, and embarked on a helicopter tour of the territory.

Mr Patten said he wanted to delegate more power to his policy secretaries. "I don't think it's a paradox to be hands-on while at the same time delegate," he said.

He also revealed he wanted to change the way the civil service was run, as well as introduce British-style Citizens' Charters.

The Governor denied recent reports that Chief Secretary Sir David Ford was about to step down.

"There is no vacancy," he said. "There is a very good Chief Secretary with which I'm already working hand in glove."

And he also dashed liberal hopes they can join the Executive Council without having to abide by collective responsibility, with his first clear commitment to the controversial rule.

Senior United Democrats had last week suggested Mr Patten left the door open to their appointment, with remarks in London that supposedly suggested collective responsibility only applied to those who backed a decision when it was made by the Governor's inner cabinet.

But Mr Patten has made clear he sees the definition as broader than that, although he wants to consult legislators on the issue.

"In any government, those who comprise the executive, or pitch their tents on the high ground of executive authority, should, in my judgement, be able to... reckon on all the members of a central executive being prepared to argue for, and support, decisions which may be taken by a majority, rather than unanimously," he said.

He also made clear his commitment to Hong Kong's peg with the United States dollar, denying recent reports that it is being reviewed.

"It will continue to be central to our macro-economic policy for reasons of market confidence."

'Courteous but Firm' Dealings Seen

HK1207031492 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 12 Jul 92 p 9

[By Political Correspondent Danny Gittings]

[Text] Hong Kong's new Governor may only have been here 72 hours, but already an unprecedented blitz of publicity has provided plenty of clues as to how Mr Chris Patten intends to run the territory for the next five years.

Gone are the watchwords of the Wilson years, such as "convergence" and "continuity". In their place have come the new Patten pet phrases of "courteous but firm" dealings with Beijing, and "open and accessible Government".

But it is his comments on being "accountable to Legco [Legislative Council]"—which were not mentioned in the inaugural address but crept on to the agenda after Friday's [10 July] press conference—that may prove to have the most far-reaching effects.

While Lord Wilson was rarely—if ever—heard to use that term, his successor is making clear he intends this to be a central plank of his style of Government, stretching far beyond a new Governor's question time to include consultation on all manner of matters.

And he has smartly cited both the Basic Law and the Joint Declaration to support his case, in a move which may wrongfoot Beijing—indeed the local leftist press yesterday remained silent on the issue—and make it more difficult for them to object to a development that will hand more influence to their liberal enemies in Legco.

"Those basic texts are perfectly clear about the executive and the executive authorities being accountable to the Legislative Council," Mr Patten said in an interview with the Sunday Morning Post. "I'm the head of the executive authorities so I'd better be accountable."

He made plain that if Beijing objected to his new emphasis on accountability, he would not only tell the capital its fears were misfounded, but also insist such actions would increase the administration's authority.

"A government is stronger if it is prepared to be more open and accountable," Mr Patten said. "A government is stronger when it is able to mobilise support and consent for what it is doing."

It all adds up to curious dichotomy. Having already committed to maintaining Hong Kong's system of "executive-led government"—in the phrase beloved by local conservatives as well as Beijing—the new Governor has endorsed the potentially contradictory concept of parliamentary accountability.

Indeed, he admitted uncertainty about how to reconcile the two, and even talked about the dangers of a "muddle" over the issue. "I'm increasingly interested in what executive-led government accountable to the legislature means and I want to explore that," Mr Patten said.

There have also been hints the new Governor is well aware what he is doing is constitutionally questionable. While the Basic Law provides for accountability to Legco, Hong Kong's constitution, the Letters' Patent, does not.

Yet Mr Patten clearly intends to ride roughshod over any such niceties in pursuit of his goal. "Whatever the precise balance in the constitutional arrangements, serious political leadership involves being prepared to get out in front and lead people," he said.

"This is going beyond arguments about precise governmental mechanisms... anyone who governs Hong Kong is going to have to ask people from time to time for the benefit of the doubt, and the benefit of the doubt is something you have to earn as a political leader."

Such comments may be more significant than they seem. Already some well-informed observers are suggesting Mr Patten's emphasis on accountability is part of a politically astute strategy, aimed at building a shield to protect his future actions and even make it more difficult for Legco to defy the Government's wishes.

After lavishly praising Financial Secretary Mr Hamish Macleod's dialogue with legislators, designed to discover where they think extra public spending can best be put to use, Mr Patten hinted they would have little excuse to play around with next year's Budget.

"I hope we will discover that this Legislative Council, unlike many others in the world, does actually recognise that priority does actually mean we can't do everything," he said pointedly.

And when the new Governor raised the previously unthinkable idea of consulting Legco over the timing of his first trip to Beijing—although he stressed he had yet to decide whether to do this—it sounded as if he was half hoping legislators' objections might provide an easy excuse against an early visit.

Mr Patten had earlier offered a veiled warning, in his inauguration speech, that only those who cooperated could expect to share in his new vision for the territory. "I look forward to cooperating with those who share my aim to do everything we can to improve and strengthen the Government of Hong Kong," he said.

That improvement and strengthening is the main goal of the top-to-bottom review of the administration he announced before leaving London last weekend, but the strategy behind which has only become clear over the past few days.

The review was not, Mr Patten stressed, intended to be a substitute for more directly-elected seats in Legco or new appointments to Exco [Executive Council]. Those may still come later on.

But "before I form a view on those things I do want to actually be clear in my own mind that existing Government institutions are working as vigorously and effectively as possible", Mr Patten said. "There are things we should change and adjust wherever else we decide to go."

Yet—although he did not acknowledge it—such tactics also allow Mr Patten to play for time, dampening speculation about the two issues that have aroused such concern in Beijing while he tries to decide what to do about them before his self-imposed October deadline.

Chinese leaders will be hard pushed to protest if he conducts a radical revamp of the way the administration is run—which will also strengthen his hand when it

comes to dealing with Exco and Legco in the autumn—without changing the existing institutional framework, and thus threatening convergence with the Basic Law.

Indeed, at least in the area of the civil service, Mr Patten already has a clear idea of what he wants to do, although he does not yet know when he will have time to do it.

The new Governor confirmed he wanted to introduce Citizens' Charters—a personal project of Prime Minister Mr John Major in Britain—and use them to improve the standard of public services.

"It chimes with a general concern to make government as responsive as possible," he said. "I'd want to look at one or two areas where we could genuinely improve... the standard of provision for the punters who pay for it."

But his ideas for change go beyond that, with the new Governor talking enthusiastically about the sort of civil service reforms Britain has seen over the past few years, that have devolved more responsibility on to lower level officials and individual Government departments.

"It is important to delegate as much as possible," he said. "There are a lot of high quality people and they should be given more elbow room to get on with the job."

The Government's top officials will be the first to feel the pinch, with Mr Patten telling them—at yesterday morning's policy secretaries meeting—they will be expected to take on more of the burden of presenting the Government's case, and that it is not "a paradox to be a hands on Governor while at the same time delegating".

In the area of Government finance, Mr Patten has also signalled a major shift of policy. He made clear he would put a stop to the recent practice of publishing a seemingly endless stream of high-sounding reports—which have ranged from policy papers on primary health care and social welfare to two from the Education Commission—while not knowing if the money was available to fund them.

"You can't govern on the back of a series of observations that you'll do wonderful things when resources permit," he said. "The most creative and effective policy-making takes place at that point of maximum tension between a spending department and the treasury."

That will mean more power for the policy secretaries to negotiate directly with Mr Macleod and his hard-hitting deputy, Mr Yeung Kai-yin, perhaps appealing to Exco to arbitrate on differences between them—much as a group of cabinet ministers do in Britain.

Mr Patten has also made plain one of his top priorities will be to fight inflation—"a cunning enemy", he called it in his policy address—something businessmen often accused Lord Wilson of not paying enough attention to.

Yet he made clear this would not be at the expense of the dollar peg, denying recent reports Government was

reconsidering the fixed exchange link. "I see no prospect whatsoever of moving away from it," he said.

Instead the new Governor cited pay and the housing market as key factors in the fight against inflation, along with the labour market—an apparent indication Mr Patten supports the administration's controversial policy of importing up to 25,000 workers.

But it is on relations with Beijing Mr Patten will ultimately be judged, and the new Governor's comments indicate he is in no hurry to go there.

While he did not rule out a visit to solve the Chek Lap Kok deadlock—"I've very rarely ruled out anything in my life," he said—Mr Patten made clear he would prefer the Airport Committee to resolve the dispute.

And he confirmed he had been advised not to visit the mainland until after this autumn's Communist Party congress, although Mr Patten said he had yet to decide whether to follow this advice.

Whenever he does go, all the signs are the new Governor will adopt a very different style from his sinologist predecessors.

The man who has already asked for Mr Lu Ping's home telephone number—in a meeting with Chinese Ambassador Mr Ma Yuzhen in London—made plain he does not want to do business by telegrams and memos.

"As a politician I've become accustomed to talking to people and doing business on the telephone and not depending on eloquently drafted submissions," Mr Patten said.

But, most importantly of all, he has warned—using a tennis analogy—"at the end of the day if the ball doesn't come over the net you can't hit it back".

In the first clear indication of his "courteous but firm" approach towards Beijing, the new Governor warned if China stalled on projects spanning 1997, the Government may simply have to give up on them.

"I don't want to spend my time on a lot of hassles on big projects if we can't get agreement," Mr Patten said.

"I think we've got to say to our colleagues in the PRC (People's Republic of China) this is what we intend to do, that we think this is in the best interests of the people of Hong Kong, but candidly I don't want to get stuck into this if you're going to then pull the plug on it."

While he stressed he had "absolutely no doubt at all the airport will be built", Mr Patten did not set any timescale on his confidence.

Indeed, his comments leave open the intriguing prospect—under his leadership—the Hong Kong Government will threaten to postpone the project unless Beijing swiftly agrees to its financial arrangements.

WEN WEI PO on Expectations for New Governor

HK1107053692 Hong Kong WEN WEI PO
in Chinese 9 Jul 92 p 2

[Editorial: "Can Chris Patten Achieve Magnificent Things?"]

[Text] Chris Patten, the 28th governor of Hong Kong, arrives in Hong Kong today to assume office. Different people with different viewpoints have different expectations of Chris Patten. Nevertheless, Chris Patten will be faced with an unescapable date: In accordance with the Joint Declaration signed by China and Britain, Hong Kong will return to China on 1 July 1997.

Naturally, the last Hong Kong governor will do things in accordance with the Joint Declaration, create conditions for a smooth transition, and prepare for the transfer of government. Without consulting with China in a friendly manner, the governor of Hong Kong will find it difficult to handle all trans-1997 matters which will require the special administrative region's government to assume its responsibilities and obligations.

The last Hong Kong governor is neither a Pottinger nor a Soames. Soames was free to arrange Rhodesia's political structure when Britain withdrew from there. Pottinger was the first Hong Kong governor and could appropriate all powers to himself and map out a political system for the colony of Hong Kong.

People have noticed that before the appointment of the new Hong Kong governor was made clear, a British newspaper called once for the appointment of a top-level senior political figure, or a "modern-day Soames" as the last Hong Kong governor to replace Wilson. Quite a few British newspapers also mentioned Chris Patten and Soames in the same breath. This is unfair to Patten. It can only instigate unrealistic expectations from some people in Hong Kong who have fallen behind the times and add unnecessary difficulties and obstructions for Patten.

In fact, as Mrs. Thatcher has already signed the Joint Declaration. It is impossible for Britain to withdraw in the same way it withdrew from Rhodesia. Hong Kong will not become an independent state as Rhodesia did but will be returned to its motherland—the PRC. Either in accordance with legal principles or in light of the political situation, there are no conditions for Patten to act as a "Soames." How could Patten rewrite history today on matters which Mrs. Thatcher did not and could not do in her years?

The next five years will be years of Hong Kong advancing toward one country, two systems and returning to the motherland. Wilson pointed out that China's influence is increasing. This situation will not obstruct Patten in performing his duties as the governor of Hong Kong, but is actually a favorable factor. Since the signing of the Sino-British Joint Declaration, the fact of Hong Kong's prosperity and stability has proven that China is sincerely maintaining the social system of Hong

Kong and supporting Hong Kong's prosperity and stability. In dealing with a series of problems in Hong Kong, such as the stock market crash in October 1987, the bank runs after the BCC [Bank of Credit and Commerce] incident, Hong Kong's water shortage, cross-border criminal activities, the construction of the new airport, and civil service pensions, China has adopted a positive attitude in cooperating with the Hong Kong Government so the latter can carry out effective administrative. With the year 1997 approaching, Patten will need more cooperation from China to increase his prestige in the administration.

Cooperation between China and Britain conforms to their common interests. The policy of one country, two systems put forth by the Joint Declaration is conducive to the great cause of China's reunification as well as preserving the interests of British investments in Hong Kong and ensuring a glorious withdrawal in 1997.

Two countries under different social systems are resolving problems left over from history through peaceful negotiations and strengthening communication and cooperation on this basis, and they will bring the achievements of peaceful negotiations and cooperation into the next century. This is a good example in the history of diplomacy and a successful practice in seeking common understanding and achieving mutual benefit by countries under different systems. Just as Chris Patten has said, economic strength has a stronger dominance than ideology. As a British politician who has been appointed governor of Hong Kong for the current period, Chris Patten will be able to make contributions to his country and associate with new friends. He may also make a name of himself in this post. This is a rare challenge and the prospects are excellent.

Soon after assuming office, he will be faced with a series of problems, including the 1995 Legislative Council elections and convergence, the continuing operations of the Executive Council, the financial arrangements for the new airport, the hardships of the common people, and the high inflation rate. If he strictly observes the Joint Declaration, goes with the tide of history, faces reality, learns from the successful experiences of the former governor in administering Hong Kong, maintains a continuity of policy and an executive-led consultation system, strengthens friendly cooperation with China, and endeavors to maintain stability and prosperity, he could achieve magnificent things.

Conversely, if he deviates from the Joint Declaration and the track of converging with the Basic Law and if he deviates from the orientation of friendly cooperation with China, he will follow a path overgrown with thorns and bring troubles on himself.

The greatest interest of the Hong Kong people is in a smooth transition and continuing prosperity and stability. In judging the wisdom of the Hong Kong governor, we should see whether he is good at knowing what things actually conform to this greatest interest of the

Hong Kong people. It is hoped that in the next five years, Chris Patten will perform satisfactorily on this fundamental issue during his term of office.

Perez de Cuellar: Rights Violations 'Exaggerated'

*HK1307102192 Hong Kong AFP in English
0913 GMT 13 July 92*

[Text] Hong Kong, July 13 (AFP)—Reports of human rights violations in China have been "grossly exaggerated," former United Nations secretary general Javier Perez de Cuellar said here Monday.

De Cuellar said that as a lawyer "I must act on the basis of evidence. I don't think there is enough evidence which would allow us to say that in China there is a tremendous violation of human rights."

"Violation of human rights in China has been grossly exaggerated," said the Peruvian envoy who held the top U.N. post from 1982 to 1991.

He was speaking at a luncheon sponsored by Citibank marking the 90th anniversary of the U.S.-based bank's entry into Asian financial markets.

On the military crackdown on pro-democracy protesters in China on June 4 1989, De Cuellar said "I have no evidence to tell you sincerely" that hundreds of people were killed.

"I've been trying to get evidence, but I haven't received any," he added.

The London-based human rights organization Amnesty International in May said "Three years after the suppression of peaceful pro-democracy protests, which resulted in the massacre of hundreds of civilians in Beijing...human rights violations continue unabated in China. Thousands of political prisoners remain imprisoned, including prisoners of conscience held solely for the peaceful exercise of fundamental human rights."

De Cuellar did not comment on the Amnesty report.

In a veiled criticism of U.S. attempts to link China's human rights record to the granting of most favoured nation trading status, De Cuellar called for the human rights issue to be depoliticised.

"Human rights and development should go together," said De Cuellar. When development improves "violation of human rights diminishes," he said.

The right to survive is the basic of human rights, he added. "What is human rights if you don't have enough food to survive."

"The violation of human rights frequently leads to international conflict," he said, noting "this has been shown again of late, with grim clarity, in all continents."

"It is axiomatic, but bears repeating: countries that aspire to leadership in this day and age need peace. Peace

cannot endure indefinitely short-changing on human rights—and this applies particularly to the rights of vulnerable groups such as the old, the very young, members of minority groups, the displaced, and the ill—for example those afflicted by AIDS," he said.

"It has been said that the mark of a civilized country is the concern it shows for its least fortunate citizens. I believe the same could be said of a country aspiring to leadership," he said.

New Political Group Announces Establishment

*OW1007142492 Beijing XINHUA in English
1328 GMT 10 Jul 92*

[Text] Hong Kong, July 10 (XINHUA)—A new political organization, the Democratic Alliance for Betterment of Hong Kong (DABHK), formally announced its establishment at an inaugural meeting here today.

The alliance elected Tsang Yok-sing, a schoolmaster, as its chairman and Tam Yiu-chung, a workers' union leader, as the vice chairman. It has 56 founding members who came from different social strata and sectors.

At the inaugural meeting, Vice Chairman Tam Yiu-chung read out the alliance's manifesto, which described the alliance as a political organization that is devoted to China and Hong Kong with its root in Hong Kong.

The manifesto pointed out, the alliance's basic principle is to support the return of Hong Kong to her motherland, realize the concept of "one country, two systems" and work to implement the basic law.

"Our guidelines are to work to protect Hong Kong's overall interests, promote social stability, progress and development. We will strive to do anything that is good for Hong Kong," the manifesto reads.

"Our participation in politics is a positive approach to realizing the concept of Hong Kong people governing Hong Kong. Only when Hong Kong citizens actively take part in politics and engage in political debates will the concept of one country, two systems be realized successfully," it said.

In his maiden speech at the founding ceremony, Tsang said, "We should seek our citizens' support and welcome all those who intend to stay in Hong Kong to build a better home to join our forces."

He pledged, the alliance will play a right part in the smooth transfer of the sovereignty of Hong Kong to the Chinese government and in the implementation of Hong Kong people governing Hong Kong after 1997.

Chan Yue-han, a Standing Committee member, introduced some of the future tasks of the alliance.

The alliance will set up 17 working teams, eight of which have already been formed.

Position Outlined

HK1207070892 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1306 GMT 10 Jul 92

[Text] Hong Kong, 10 July (ZHONGGUO TONGXUN SHE)—The Democratic Alliance for the Betterment of Hong Kong [DABHK], a political organization which presents itself as loving China, loving Hong Kong, practicing the formula of "one country, two systems," and implementing the "Basic Law," was formally set up in Hong Kong today.

Tseng Yu-cheng, Chairman of the DABHK, said: "We have an ardent love for China, defend state sovereignty, vindicate national honor, and support China's policy toward Hong Kong. This is our consistent, clear-cut position, which will on no account prevent us from serving Hong Kong's interest. To the contrary, only when we proceed from this position can we genuinely safeguard and realize the concept of 'one country, two systems' and maintain Hong Kong's stability and prosperity. We will work hard to win the approval and acceptance of our position by Hong Kong's citizens and their support for us. We do not deny the allegation that we are "pro-China." Nevertheless, that is just half of the whole story. We are both pro-China and pro-Hong Kong. We love our country and Hong Kong as well. Our practice will prove this."

Vice Chairman Tan Yao-tsung read aloud the alliance's declaration, which stresses that DABHK is a patriotic organization engaged in democratic participation in government affairs, which loves Hong Kong and works for its betterment, a political organization which takes root in Hong Kong. Its members unanimously agreed: The alliance's purpose, program, and action can represent the interest of Hong Kong's citizens and win their approval and trust. The declaration states: Working for the betterment of Hong Kong through democratic means is a mission trusted by history on the Hong Kong people and on their commitment to history. The alliance is fully confident about the future of Hong Kong and China and convinced that with sincerity and commitment, it can make contributions to Hong Kong and China.

The alliance has 56 founding members. The preparatory committee of the DABHK held a meeting as early as 30 June and elected a 22-member central committee. At the 30 June session of the central committee, seven members of its standing committee were elected. They are Tseng Yu-cheng, chairman; Tan Yao-tsung, vice chairman; Cheng Chieh-nan, secretary general; Huang Chien-yuen, treasurer; Chen Wan-hsien, Yeh Kuo-chien, and Chien Chih-hao. The other central committee members are Wang Kuo-hsing, Ho Ching-an, Wu Kang-min, Sun Chi-chang, Liang Ai-shih, Liang Yu-lin, Chen Li-chih, Chen Jui-lin, Chen Chien-lin, Huang Li-cheng, Yeh Kuo-chung, Tsou Tsan-chi, Pan Kuo-hua, Lu Chih-chiang, and Yan Chin-chuan. Cheng Ai-lun serves as director of the alliance.

Support of MFN Status for Mainland Discussed

HK0907052692 Hong Kong SOUTH CHINA MORNING POST in English 9 Jul 92 pp 1, 7

[By Shirley Yam]

[Text] The United Democrats [UDHK] were accused of mixing economic issues with human rights for political ends yesterday as the liberal group sought Legislative Council backing for a call on the United States to place conditions on the renewal of China's Most Favoured Nation (MFN) trading status.

The territory's leading liberal group, keen to see China improve its human rights record to ensure long-term MFN benefits, faced a fiery barrage from fellow legislators and government officials during the 150-minute debate.

In the end, members voted 37-12 in favour of a motion urging Washington to extend MFN status to China with no strings attached, but not before Deputy President, Mr John Swaine, had been forced to intervene several times to keep order in the chamber.

Most non-UDHK councillors, including all three government officials, supported the motion on unconditional renewal after rejecting the call for human rights considerations to be attached by United Democrat Dr Huang Chen-ya. The 11 United Democrat members abstained.

While the conservative Co-operative Resources Centre (CRC) was accused of presenting the motion to set a "political trap" for the liberals, CRC leader Mr Allen Lee Peng-fei led the attack on his group's left-wing rivals.

He accused Dr Huang of being "ignorant in economic issues" by using MFN as a weapon to achieve political mileage.

In moving the amendment, Dr Huang had argued that the motion would send a "misleading" message to the world—that Hong Kong people cared more about money than anything else, including human rights and arms proliferation.

"Do we Hong Kong people care nothing about human rights conditions on the mainland?" Dr Huang asked. "Why should it (the renewal) be unconditional?"

"Human rights has been brought up every year (when renewal of MFN is considered). The Chinese Government has the responsibility to improve human rights. This will lift the sword (of no MFN renewal) from it forever," he added.

But Mr Lee quickly hit back and just as quickly earned himself a censure from Mr Swaine.

Accusing Dr Huang of twisting the motion into something against human rights and world peace, Mr Lee said: "I don't mind his ignorance on economic issues—he is a medical doctor—but I do mind his accusations, which are totally unfounded."

"I wonder how many times Dr Huang has gone to China and seen the conditions there?"

But it was at this point that Mr Swaine stopped the onslaught and warned Mr Lee that members could not use "insulting or offensive" words against other councillors.

Using a different tack, Mr Lee then made a thinly-veiled attack on the liberal group's member, saying: "I can't see how someone who fights for Hong Kong's interests will not lobby for unconditional renewal of MFN."

He stressed that it would be unthinkable for both Hong Kong and China's economic future if renewal was made conditional by Washington.

Also denouncing the United Democrats' call was Mr Ngai Shiu-kit of the Chinese Manufacturers' Association. He accused some people of shouting empty slogans on human rights and freedom while turning a blind eye to the interests of the territory and China.

Mr Tam Yiu-chung, of the pro-China Federation of Trade Unions, added that the loss of MFN status would result in the loss of millions of jobs in both Hong Kong and China.

"I hope the people who have stressed human rights would not do anything that would undermine the human rights of other people," he said, in a pointed comment on the economic well-being of Hong Kong residents.

Secretary for Trade and Industry, Mr Brian Chau Tak-hay, said: "Calling for extension of MFN without specifying that it should be unconditional and linking MFN extension with a non-MFN issue may well be perceived elsewhere as a weakening in our support for unconditional renewal and risk playing into the hands of those who are trying to defeat the U.S. administration in order to achieve their own domestic political ends."

He stressed that official opposition to the amendment had nothing to do with the human rights situation in China.

"We have all along believed that MFN is a trade issue which should not be linked to other issues and we continue to support the U.S. administration's position that MFN is not the right tool to achieve other policy objectives," he said.

Editorial on United Democrats' Motion

*HK1207061092 Hong Kong WEN WEI PO
in Chinese 11 Jul 92 p 2*

[Editorial: "A Political Error Characterized By Paying No Heed to People's Standard of Living—Commenting on the Revised Motion of United Democrats of Hong Kong"]

[Text] In his swearing-in speech, newly-appointed Hong Kong Governor Chris Patten stated: Hong Kong citizens "have created a wonder in the heart of Asia, revealing to the full all sorts of advantages of the free economy, with

outstanding accomplishments, and set a very good example." Chris Patten's appraisal falls in line with the facts.

The rise of Hong Kong's economic wonder have manifold factors, a very important one of which is that Hong Kong, as a free port poor in natural resources, must unfold extensive exchanges in economic relations and trade with the hinterland and all countries to help exportation of Hong Kong products and entrepot trade through which Chinese products exported to all parts of the world and foreign products find their way into the hinterland. With the sustaining development of China's economy, Hong Kong's role in this arena has become increasingly important, and Hong Kong is reaping great profits from such operations. This basic fact is undeniable.

However, during this week's debate of the Legislative Council [Legco] on the issue that the United States should unconditionally extend the Most Favored Nation [MFN] status to China, members from the United Democrats of Hong Kong politicized this issue, which has a bearing on Hong Kong people's lives, and set out a revised motion "urging the Chinese Government to improve the human rights conditions in China on its own for the sake of obtaining the MFN status." Of course, that revised motion was vetoed by the majority of Legco members, who aired their own views, which were relayed to Hong Kong citizens through the media. True, whether or not the United States will grant China the MFN status does not depend on Hong Kong, but the issue of China's MFN status matters a great deal to Hong Kong. This being the case, Legco members' views on this issue as well as the vote result has afforded much food for thought.

The revised motion of the United Democrats was a great mistake primarily because its prerequisite was entirely false. The so-called human rights conditions in China have nothing to do with Sino-U.S. trade and Hong Kong's entrepot role in Sino-U.S. trade; however, the United Democrats rigidly linked them; naturally, they could hardly justify themselves. Should the United States reject MFN status to China, Hong Kong will lose some 30-40 percent of its entrepot trade and around 40,000-60,000 job opportunities, whereas both China and the United States will be greatly affected economically. If such a situation surfaces, will the human rights conditions in Hong Kong, China's hinterland, and the United States be promoted or jeopardized? The answer is self-explanatory. Under such circumstances, how could the United Democrats face Hong Kong citizens, and how could they continue to claim themselves to be "defenders of human rights"?

The reason the United Democrats' revised motion was a great mistake also lies in their introducing the method of political struggles inside the United States to Hong Kong. Some of the U.S. Democratic congressmen have talked endlessly about linking China's human rights conditions to the MFN status at the U.S. Congress; to a large extent, that fell in line with the needs of party struggles during a general election year. In fact, those

Democratic congressmen could find no way to conceal their hypocrisy. As long as large-scale riots take place in Los Angeles and New York because of racial discrimination, and boatloads of Haitian refugees are forced to be repatriated by U.S. Coast Guard troops, none of the Democratic politicians or the U.S. authorities are eligible to say anything about the human rights conditions in other countries, nor have they any reasons to link them to bilateral trade. Generally speaking, the Bush administration has been rather wise on this issue, because MFN status is based on reciprocal benefits—by no means is it unilateral. It is unwise for some Legco members from the United Democrats of Hong Kong to sing the same tune as U.S. Democratic congressmen. That falls in line with their political orientation in an attempt to build Hong Kong entirely after the pattern of a Western political system. Hong Kong citizens can see from the United Democrats' revised motion that should such an orientation characterized by "democracy above all else" in name, which actually jeopardizes Hong Kong people's livelihood and does not help in democratic politics, become the mainstream, the consequence can only be disastrous. Just as Sir Wilson, former Hong Kong governor put it, to force a Western democratic system on Hong Kong would be a behavior of cultural imperialism.

The recent debate and vote at the Legco has been regarded as the "bitterest defeat of the United Democrats of Hong Kong." In fact, should the United Democrats fail to change their political orientation characterized by paying no heed to people's lives, divorcing from the citizens and running counter to their will, still bitter defeat is ahead. The speeches and behavior of some U.S. Democratic politicians and some members of the United Democrats of Hong Kong are more often than not out of their political needs. Just as the British great writer Bernard Shaw put it: "Sometimes, political needs are essentially political errors."

Vice Foreign Minister Meets Officials in London

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[Text] London, 9 Jul (XINHUA)—During a visit to Great Britain from 6 to 8 July, Chinese Vice Foreign Minister Jiang Enzhu held talks with British Foreign

Office Minister Alastair Goodlad for an extensive exchange of views on bilateral relations and international issues, including the Hong Kong issue.

At the talks, Goodlad said that the British Government had a positive appraisal of the achievements China has made in its economic development over the past few years and hoped to strengthen high-level contacts between both countries. A good cooperative relationship between Britain and China is extremely important to Hong Kong's prosperity and stability and a smooth transition. He said continuity in the British Government's Hong Kong policy will be maintained and that Britain wishes to strengthen cooperation with China.

Jiang Enzhu said that both China and Britain are countries with important influence in the world. The Chinese side attaches great importance to the development of friendly and cooperative relations with Britain. Maintaining high-level contacts and exchanging visits are of great significance to developing bilateral relations.

He continued: China and Britain share a common interest in maintaining Hong Kong's prosperity and stability and realizing a smooth transition in 1997. The Chinese side hopes to strengthen cooperation and consultation with the British side on the basis of the Joint Declaration and the Memorandum of Understanding on Hong Kong's New Airport.

Both Goodlad and Jiang said that China and Britain will continue to discuss financial arrangements for Hong Kong's new airport through the appropriate channels.

Jiang Enzhu met with Richard Needham, minister of state at the Department of Trade and Industry. Both sides exchanged views on further developing trade and economic relations. Needham is expected to visit China during the last 10 days of this month.

During his visit, Vice Foreign Minister Jiang Enzhu also exchanged views with (Braithwaite), foreign affairs adviser to the British prime minister, and some officials from the British Foreign Office on issues of common interest.

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